

REPORT
ON
SURVEY OF LABOUR CONDITIONS
IN
BICYCLE FACTORIES
IN INDIA



सत्यमेव जयते

LABOUR BUREAU
MINISTRY OF LABOUR AND EMPLOYMENT
GOVERNMENT OF INDIA

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PREFACE

Industrial labour and its problems have been the subject of interest, though varying in degree and extent, ever since India entered the industrial field over a century ago. Today this interest has shifted from prevention of exploitation of labour to providing a fair deal and opportunities for a fuller life to labour. The growing realisation of this approach to problems of labour in India, in the context of present day planned economic development of the country, is provided a sound base by the Surveys that reveal true conditions of labour.

The last detailed Survey, on a country-wide basis, of the working and living conditions of industrial labour was conducted by the Labour Investigation Committee appointed by the Government of India in 1944. The years that followed witnessed far-reaching changes in the set up of the country, its basic policies and national objectives. As a result, the long-term strategy for economic and industrial advance recognises the well-being of the working class as an essential factor in the overall stability and progress of the country. The adoption of this policy, in the changed circumstances of the country, has brought about a new awakening in the ranks of labour and afforded them much relief in various directions through legislation and other measures.

In order to assess the impact of these measures on the industrial labour and to appraise their present conditions, a scheme for a comprehensive Survey of Labour Conditions was incorporated in the Second Five Year Plan and its execution was entrusted to the Labour Bureau. The Survey was conducted according to a phased programme in 46 industries.* This report presents data regarding Bicycle Factories covered under the Scheme during 1961-62.

The present Survey differs considerably from similar investigations in the past in matters of design, scope and presentation of data. It has also certain distinguishing features. For example, it furnishes data separately for large and small establishments in various industries, makes a limited study of labour cost in relation to the benefits and amenities that the workers now enjoy, seeks to fill the gap in the statistics of labour turnover and absenteeism in the factory industries and provides first-hand information on certain important aspects of labour-management relations. Attempt has also been made to collect and provides first-hand information on certain important aspects of way. In the presentation of the data the effort has been to reduce the information into quantitative terms so as to serve as a bench-mark for purpose of evaluation of changes at a future date. Recourse to general description has been resorted to only where the other type of treatment was not possible.

In a Survey of this magnitude it was but natural that many problems had to be faced both in planning as well as execution. Most of these flowed from non-availability of up-to-date frames and absence or improper maintenance of records in many establishments. In many cases the field staff had almost to build up the required statistics from various sources. This naturally imposed a heavy demand on the managements and the Bureau is deeply indebted to them for their whole-hearted co-operation. The co-operation and valuable assistance

*The names of 46 industries are given in the Preface (p. iii) attached to the Report on Survey of Labour conditions in Silk Factories in India.

received from associations of employers and workers, Labour Commissioners as well as Chief Inspectors of Factories and other officials of State Labour Departments is also gratefully acknowledged.

The debt of gratitude that I owe to the Central Statistical Organisation and the Chief Adviser of Factories for evincing keen interest in the Survey and rendering technical advice on various matters is indeed great. I am also thankful to the Employment Division of the Planning Commission for examining the schedule and instructions and offering useful suggestions. I am equally grateful to the Bureau of Labour Statistics, U.S.A., Social Surveys Division, Ministry of Labour and Social Service, U.K., Economics and Research Branch, Department of Labour, Canada and Labour Statistics and Research Division, Ministry of Labour, Japan, whose advice was sought on several technical matters.

The primary responsibility for conducting this Survey and bringing out the reports on individual industries was ably borne by Shri B. N. Srivastava, Deputy Director, whose experience and application came into full play in this assignment. On various statistical problems arising out of the Survey, the requisite technical advice was provided by other officers at Headquarters. In the drafting of this report also he received valuable assistance from Shri Mahesh Chandra, Investigator Grade I. Sarvashri S. P. Gupta, S. N. Anathwal and Kanwar Singh, Computers assisted in computation of data. The field investigations were carried out by S/Shri A. Chatterjee, R. K. Kapoor, S. M. Shinh, K. C. Aggarwal, A. K. Mitra, P. Venkatraman, Harjinder Singh and A. S. Parmar under the supervision of S/Shri H. G. Gupta, K. Lakshminarayanan, Harbans Singh and Kirpal Singh. To them all my thanks are due.

The views expressed in this report are not those of the Ministry of Labour and Employment, Government of India.

LABOUR BUREAU, SIMLA,

Dated the 7th September, 1964.

K. C. SEAL

Director.

INTRODUCTION

1.1. Origin and Growth of the Industry—

Though bicycles are the most popular mode of transport in India and have been in use since 1890, the country, till recently, has been almost entirely dependent on imports to meet its requirements. The beginning of the Bicycle Industry in India can be traced to the period of the First World War when, on account of war conditions and difficulties of imports, some Indian manufacturers started producing certain bicycle components mainly for replacement purposes. However, the real foundation of the industry was laid in 1938 when the Indian Cycle Manufacturing Company Ltd., went into production at Calcutta for the manufacture of cycle parts. In the following year two more factories, one at Patna and the other at Bombay, went into production. The outbreak of the Second World War was a mixed blessing for the industry. On the one hand it shielded the nascent industry from foreign competition and on the other created problems as the industry still depended upon imports for many of the components.

The cessation of hostilities exposed the industry to the full blast of foreign competition and in fact created a condition of crisis. The Government of India, therefore, referred the matter to the Tariff Commission in 1946. The Commission recommended grant of protection and suggested levying of an import duty. The Government of India accepted the recommendations and in 1946 imposed a duty on import of bicycles as well as its components. This protective duty was reviewed from time to time and continued till 31st December, 1963.

The protective measures no doubt shielded the industry from foreign manufacturers but the main factor which promoted the growth and development was the policy adopted by the Government during the various Plan periods. It not only followed a vigorous policy for ensuring the manufacture of all the components of bicycles in the country itself, but gave encouragement to established factories to widen their range of production. New licenses were issued to only those companies which undertook to manufacture nearly all the parts and accessories of bicycles. This led to rapid expansion of the industry. According to the list of factories registered under the Factories Act, 1948 there were only 9 factories with an average daily employment of 1,867 in 1951. By 1956 the number of factories increased to 19 and employment to 5,642. The tempo of growth was maintained during the Second Plan period and by 1961 the number of factories rose to 88 providing employment to 10,920. The production of bicycles recorded a phenomenal increase. Compared to 0.12 million complete bicycles produced in the beginning of the First Five Year Plan the country produced 1.05 million bicycles by the end of the Second Five Year Plan period. According to the Engineering Association of India, the capital invested in the industry during 1958 was Rs. 100.9 millions,

The following Statement shows the distribution of bicycle factories in various States during 1961:—

STATEMENT 1.1

State-wise Distribution of Bicycle Factories and Number of Workers Employed Therein During 1961.

State							Number of factories	Average daily employ- ment
(i)							(ii)	(iii)
1. Assam .. .. .	..	..	..	..	..	..	2 (2.3)	94 (0.9)
2. Bihar .. .. .	..	..	..	..	..	..	3 (3.4)	507 (4.6)
3. Delhi .. .. .	..	..	..	..	..	..	10 (11.4)	734 (6.7)
4. Gujarat .. .. .	..	..	..	..	..	..	2 (2.3)	18 (0.2)
5. Kerala .. .. .	..	..	..	..	..	..	3 (3.4)	86 (0.8)
6. Madras .. .. .	..	..	..	..	..	..	2 (2.3)	1,779 (16.3)
7. Madhya Pradesh .. .. .	..	..	..	..	..	..	9 (10.2)	323 (2.9)
8. Maharashtra .. .. .	..	..	..	..	..	..	5 (5.7)	1,664 (15.2)
9. Punjab .. .. .	..	..	..	..	..	..	8 (9.1)	2,141 (19.6)
10. Rajasthan .. .. .	..	..	..	..	..	..	6 (6.8)	107 (1.0)
11. Uttar Pradesh .. .. .	..	..	..	..	..	..	20 (22.7)	552 (5.1)
12. West Bengal .. .. .	..	..	..	..	..	..	18 (20.4)	2,915 (26.7)
Total							88 (100.0)	10,920 (100.0)

NOTE—The figures shown in brackets are percentages.

Source—Factories Act Returns for the year, 1961.

It is evident from the above Statement that the industry is scattered almost throughout the country and is shared by all the States or Territories except Mysore, Orissa, Jammu & Kashmir, Tripura and Manipur. From the point of view of number of factories the leading position is that of Uttar Pradesh, followed by West Bengal, Delhi, Madhya Pradesh and Punjab. However, judged from the number of workers employed West Bengal occupies the top position accounting for over 26 per cent. of the total number of workers employed in the industry in the country. Next in the row are Punjab and Madras.

1.2. *Genesis of the Survey—*

The first comprehensive survey of conditions of labour in various industries in India on a country-wide basis was conducted by the Royal Commission on Labour during 1929—31. Its report and findings formed the basis of various ameliorative measures. After a lapse of over a decade i.e., in 1944, the Government of India appointed another committee, viz., the Labour Investigation Committee, to enquire into the conditions of labour in all important industries. The Committee conducted detailed investigations in 38 industries, during 1944-45 and besides a main report on Labour Conditions in general, published individual reports in respect of various industries. The Bicycle Industry was not surveyed as a separate industry by the Committee presumably because this industry was not an important one at that time. These reports provided valuable material for the formulation of labour policy. The years that followed witnessed many changes of far reaching significance. For instance, many legislative measures were adopted to improve working and living conditions and several schemes were introduced for promoting welfare and social security of workers. The setting up of the adjudication machinery also led to improvement in conditions of work and wages in various industries. Above all attainment of Independence by the country gave a new status to the working classes. In view of these developments the Government as well as the Planning Commission considered it necessary that a fresh comprehensive survey of labour conditions in various industries should be conducted so that it may be possible to assess the effects of the various measures and obtain a precise picture of the existing conditions and problems of labour for purposes of deciding the future course of action. Accordingly, a scheme for the conduct of a Survey of Labour Conditions was included in the Second Five Year Plan and the Labour Bureau was entrusted with the execution of the Scheme.

1.3. *Scope and Design—*

A note* appended to the report gives details relating to the sample design and method of estimation adopted. In view of absence of a complete list of all bicycle factories in the country, the scope of the Survey was restricted to establishments registered under the Factories Act, 1948. The 1959 list of registered factories, which was used as a frame, indicated concentration of bicycle factories in West Bengal as well as Delhi and Punjab. It was therefore decided to treat them as separate regional strata and to club the rest of the factories in the Residual stratum. However, as it was apprehended that stratum-wise estimates may not be very reliable discussions have been mainly restricted to estimates on an all-India basis. However, a mention has been made of any special features noticed in the course of the Survey in any of the strata.

Earlier investigation into conditions of labour in various industries had indicated existence of wide variations in conditions of work, standard of welfare or amenities, etc., in the establishments of different size groups. It was, therefore considered desirable to collect data separately for establishments of different sizes. In the light of the

resources available and from the point of view of practicability it was decided that for the purpose of the Survey bicycle factories may be divided into two size groups; large and small. The stratification point used for the Wage Census conducted by the Labour Bureau in 1958-59 was utilised. The point used for the Wage Census was arrived at on the basis of a study of optimum allocation and was very near the average employment size of establishments. The average size varied from stratum to stratum but it was found to be quite near 160 in all the strata. Hence for all-India analysis, factories employing up to 160 were treated as small units and the rest as large. It was felt that a sample of 25 per cent. in the case of large and 12.5 per cent. in the case of small factories would yield reliable results. However, the experience of earlier surveys was that in view of time-lag between the period to which the frame related and the period when the Survey was conducted, quite a large number of factories were found to be closed or to have changed their line of production when they were visited, thus leading to a shrinkage of the sample size. To guard against this contingency, the sample size was suitably enlarged on the basis of earlier experience and studies of closures from frames relating to certain successive years. The following Statement shows the number of factories along with the number of workers employed therein (a) in the frame, (b) in the sample, and (c) actually covered.

STATEMENT 1.2

Number of Bicycle Factories and Persons Employed Therein in the Frame and As covered by the Survey.

Stratum	In the frame (1959)		In the sample selected		In the sample ultimately covered as per 1959 frame	
	Number of factories	Number of workers employed	Number of factories	Number of workers	Number of factories	Number of workers employed
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
1. West Bengal ..	13	2,325	2 (15.4)	1,609 (68.9)	2 (15.4)	1,602 1 (68.9)
2. Delhi and Punjab ..	19	3,109	4 (21.1)	1,639 (55.7)	4 (21.1)	1,639 (55.7)
3. Residual	21	3,528	5 (23.8)	532 (15.1)	5 (23.8)	532 (15.1)
4. All India	53	8,962	11 (20.8)	3,773 (42.1)	11 (20.8)	3,773 (42.1)

It would be evident from the figures quoted above that ultimately the Survey covered 20.8 per cent. of bicycle factories and 42.1 per cent.

of the workers employed therein. Since only those factories came in the sample as featured in the frame and as it was not possible to take into account those new factories which came into being during the period the Survey was in progress, the information given in this report should be treated to relate to conditions in the factories which were in existence during the period to which the frame related (i.e., 1959) and which continued to exist at the time of the Survey.

The data for the Survey was collected by a specially trained field staff of the Bureau by personal visits to the sampled establishments. With a view to testing the schedule* and instructions prepared for the Survey as also for imparting training to the field staff, a pilot enquiry was conducted in September and October, 1959. On the basis of the experience gained, the schedule and instructions were suitably revised. The main field enquiry was launched in July, 1961 and the Survey was completed in August, 1962. Hence the information collected, except where mentioned otherwise, should be treated to relate to this period.

*The schedule used for the Survey has been given as Appendix II in the Report on Survey of Labour Conditions in Silk Factories in India.

CHAPTER II

EMPLOYMENT

2.1. Composition of the Working Force—

In the course of the Survey data were collected on several aspects of the composition of the working force in the bicycle manufacturing industry. These related to distribution of workers according to (a) broad occupational groups, (b) men, women, and children, (c) time or piece-rate method of payment, (d) employment status and length of service. The findings are discussed in the following paragraphs.

2.2. Distribution by Broad Occupational Groups—

With a view to ensuring comparability of statistics collected from different sampled establishments, data pertaining to composition of the working force were collected for a fixed date, i.e., 30th June, 1961. The results of the Survey show that on this date the estimated total number of workers employed in the industry, as a whole, was 12,727. The following Statement shows the distribution of these workers by broad occupational groups viz., (a) Professional, Technical and Related Personnel, (b) Administrative, Executive and Managerial Personnel, (c) Clerical and Related Personnel (including supervisory), (d) Production and Related Workers (including supervisory), and (e) Watch and Ward and Other Services. The definitions used for the Survey for above categories of workers were the same as contained in the I.L.O. "International Standard Classification of Occupations".

STATEMENT 2.1

*Estimated Distribution of Workers by Broad Occupational Groups on
30th June, 1961.*

Estimated number of employees

Size	Total	Profes- sional, Technical and Related Personnel	Adminis- trative, Executive and Managerial Personnel	Clerical and Related Personnel (including supervi- sory)	Production and Related Workers (including supervi- sory)	Watch and Ward and Other Services
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
(a) Large Factories ..	10,328	336 (3·3)	51 (0·5)	810 (7·8)	8,621 (83·5)	510 (4·9)
(b) Small Factories ..	2,399	85 (3·6)	21 (0·9)	164 (6·8)	2,033 (84·7)	96 (4·0)
All Factories ..	12,727	421 (3·3)	72 (0·6)	974 (7·6)	10,654 (83·7)	606 (4·8)

NOTE—(i) Figures in brackets are percentages to the total in col. (ii).

(ii) Data relate to both 'covered' and 'not covered' workers under the Factories Act,

The above statistics show that the working force in the Bicycle Industry comprised predominantly of 'Production and Related Workers', constituting nearly 84 per cent. of the total. Clerical and Related Personnel formed the next important group and accounted for 7.6 per cent. of the total followed by 'Watch and Ward and Other Services' (4.8 per cent.), Professional, Technical and Related Personnel (3.3 per cent.), and Administrative, Executive and Managerial Personnel (0.6 per cent.).

The figure 12,727 mentioned above includes persons deemed to be workers and hence covered under the Factories Act, 1948, and also those who were not considered to be workers for purposes of the Act. Data collected during the Survey indicate that the proportion of workers who were not covered under the Factories Act, 1948, was insignificant, i.e., only 0.8 per cent. of the estimated working force in the industry in the entire country. All those uncovered employees belonged to groups other than "Production and Related Workers" and most of them were employed in small factories.

2.3. Employment of Women and Children—

The Statement given below shows the relative employment strength of men, women and children in the industry.

STATEMENT 2.2

Estimated Proportion of Men, Women and Children in Working Force on 30th June, 1961.

Size	Estimated number of workers employed			
	Men	Women	Children	Total
(i)	(ii)	(iii)	(iv)	(v)
(a) Large Factories	10,318 (99.9)	10 (0.1)	—	10,328
(b) Small Factories	2,388 (99.5)	11 (0.5)	—	2,399
All Factories	12,706 (99.8)	21 (0.2)	—	12,727

NOTE—(i) Figures shown in brackets are percentages to Col. (v).

(ii) Data relate to both 'covered' and 'not covered' workers under the Factories Act.

It would be noticed from the above Statement that the working force in the industry consisted predominantly of men. Women constituted a negligible proportion of the total working force and child labour was entirely absent. Nearly 48 per cent. of women employed in the industry came in the group "Watch and Ward and Other Services" and were found to be engaged as conservancy staff. Those employed as production workers were generally found to be doing packing work.

2.4. Time and Piece-rated Workers—

The following Statement gives the proportion of time and piece-rated production workers employed directly.

STATEMENT 2.3

Estimated Proportion of Time and Piece-rated Production Workers In Bicycle Industry—June, 1961.

Size						Time-rated	Piece-rated	Unpaid workers (Apprentices)
(i)						(ii)	(iii)	(iv)
(a) Large Factories	..	..	..	..	..	79.5	20.5	—
(b) Small Factories	..	..	..	..	..	98.8	0.9	0.3
All Factories	..	..	..	..	..	83.2	16.7	0.1

Both the systems of payment were found to be in vogue but the predominant system was payment by time which accounted for over 83 per cent. of workers. Piece-rated employees were found to be employed mostly in large factories covered in Delhi and Punjab as well as in the Residual Group. In West Bengal the universal practice was payment by time. One of the small factories covered in the Residual Group was found to be employing unpaid apprentices.

2.5. Contract Labour—

No contract labour was found to be employed in any of the bicycle factories covered.

2.6. Employment Status—

In the course of the Survey information was also collected regarding employment status of production workers employed directly by the managements and covered under the Factories Act and the statistics are presented in the following Statement. For purposes of classification of workers into permanent, temporary, probationers, *badli*, casual, etc., generally the definitions as contained in the Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946 or some of the State Acts were relied upon. However, since these Acts apply to only those establishments which employ more than a certain number of workers many of the bicycle factories had not framed such Standing Orders. In their case reliance had to be placed on the version of the managements.

STATEMENT 2.4

Estimated Distribution of Production Workers Employed Directly by Employment Status—June, 1961.

Size	Estimated number of production workers	Percentage distribution of workers					
		Permanent	Probationers	Temporary	<i>Badli</i>	Casual	Apprentices
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
(a) Large Factories	8,621	87.0	1.5	1.0	—	9.4	1.1
(b) Small Factories	2,033	61.2	5.9	10.5	—	20.2	2.2
All Factories	10,654	82.1	2.4	2.8	—	11.4	1.8

In the country as a whole 82 per cent. of the workers were estimated to be permanent, 2.8 per cent. temporary, 11.4 per cent. casual, 1.3 per cent. apprentices and the rest 2.4 per cent. were probationers. There was no system at all of engaging *badli* workers. The proportion of workers enjoying permanent status was higher in large factories as compared to small ones.

2.7. Length of Service—

In the course of the present Survey statistics relating to the length of service of production and related workers (including supervisory personnel) employed directly by the managements and covered under the Factories Act were collected and the details obtained are given in the following Statement. Wherever managements maintained any records showing the date of appointment of their employees (e.g., service cards, leave records, etc.), the information was collected from such records, but in their absence the version of the managements was taken.

STATEMENT 2.5

Estimated Distribution of Production Workers Employed Directly According to Length of Service—June, 1961.

Size	Estimated number of production workers employed directly†	Percentage of workers with a service of			
		less than 1 one year	or more but less than 5 years	5 or more but less than 10 years	10 years and over
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories	8,621	23.3	47.8	27.9	1.0
(b) Small Factories	2,027	45.7	52.1	2.2	..
All Factories	10,648	27.6	48.6	23.0	0.8

†Excludes unpaid Workers.

The above figures show that bulk of the workers in the industry had a service of less than five years. One obvious reason for such a situation seems to be that most of the bicycle factories are of recent origin. As between establishments in the two size groups, the proportion of workers with shorter length of service was much higher in small factories. No clear explanation was available for this situation but it was alleged by the managements of small factories that workers left the jobs as soon as they could secure even slightly better terms elsewhere.

2.8. Absenteeism—

The data collected in the course of the Survey on absenteeism relate only to production workers employed directly excluding *badli* and casual employees. The following Statement presents the absenteeism rate in the industry during the period July, 1960 to June, 1961.

STATEMENT 2.6

Estimated Absenteeism Rate in Bicycle Industry During July, 1960 to June, 1961.

Month							Size		
							Large Factories	Small Factories	All Factories
(i)							(ii)	(iii)	(iv)
1960									
July	..	..	..	..	..	..	11.0	11.9	11.2
August	..	..	..	..	..	..	8.6	11.0	9.0
September	..	..	..	..	..	..	8.8	8.4	8.7
October	..	..	..	..	..	..	11.0	9.0	10.7
November	..	..	..	..	..	..	9.4	8.5	9.2
December	..	..	..	..	..	..	10.4	9.2	10.2
1961									
January	..	..	..	..	..	..	10.1	6.9	9.6
February	..	..	..	..	..	..	9.4	7.8	9.1
March	..	..	..	..	..	..	12.2	10.9	11.9
April	..	..	..	..	..	..	12.9	10.1	12.3
May	..	..	..	..	..	..	13.7	13.5	13.7
June	..	..	..	..	..	..	12.9	14.1	13.1
Average, 1960-61	..	..	..	..	..	..	10.9	10.2	10.7

In the country, as a whole, the absenteeism rate ranged from 8.7 per cent. to 13.7 per cent.; the lowest being in the month of September, 1960, and the highest in May, 1961. The average for the period July, 1960 to June, 1961 was 10.7 per cent. Among the factories covered in various centres it was found that the absenteeism rate was the lowest in West Bengal and highest in the Residual Group. The Survey results further show that with the exception of West Bengal, elsewhere the absenteeism rate was generally higher in large factories as compared to small establishments.

Since managements generally did not keep any records of causes of absenteeism, it was not possible to collect any statistical data on absenteeism by causes. However, from such general information as could be collected, it appears that the absences in the months of July, October and December were mainly due to religious or social causes and festivals. Absences in the month of March were mostly attributed to harvesting season, sickness and Holi festival.

2.9. Labour Turnover—

Data relating to labour turnover was collected for the same period and for the same group of workers (excluding unpaid apprentices and casual employees) for which statistics relating to absenteeism were collected. The following Statement contains the details.

STATEMENT 2.7

Estimated Accession Rate in Bicycle Industry During July, 1960 to June, 1961.

Month	Accession rate in†		
	Large Factories	Small Factories	All Factories
(i)	(ii)	(iii)	(iv)
<i>1960</i>			
July	4.2	2.1	3.8
August	1.7	1.9	1.7
September	3.9	10.7	5.1
October	1.4	4.3	1.9
November	2.9	4.3	3.2
December	3.4	4.4	3.6
<i>1961</i>			
January	2.9	4.7	3.2
February	1.3	2.1	1.4
March	3.0	12.7	4.6
April	1.8	4.1	2.2
May	2.3	4.4	2.7
June	1.9	10.7	3.4
Average 1960-61	2.6	5.5	3.1

STATEMENT 2.8

Estimated Separation Rate in Bicycle Industry During July, 1960 to June, 1961.

Month	Separation rate in†		
	Large Factories	Small Factories	All Factories
(i)	(ii)	(iii)	(iv)
<i>1960</i>			
July	3.7	7.7	4.4
August	2.6	7.3	3.4
September	2.1	4.7	2.6
October	1.4	5.2	2.0
November	2.9	6.2	3.4
December	2.2	2.5	2.2
<i>1961</i>			
January	1.6	5.2	2.2
February	1.8	4.4	2.2
March	4.5	5.5	4.7
April	1.3	5.2	2.0
May	1.6	10.8	3.1
June	1.2	4.5	1.8
Average 1960-61	2.2	5.8	2.8

† In percentages.

The accession as well as separation rates in the industry in the country, as a whole, were not very high, being of the order of nearly 3 per cent. As between different months the rate ranged from 1.4 to 5.1 per cent. in the case of accessions and from 1.8 to 4.7 per cent. in the case of separations. In general, the accession and separation rates were comparatively higher in small establishments.

In the course of the Survey an attempt was also made to collect statistics relating to separations by causes. However, it was found that, with a very few exceptions, no records were being maintained by managements on this subject and therefore generally reliance had to be placed on the information given by the managements. The information so obtained is given in the following Statement.

STATEMENT 2.9

Estimated Percentage Distribution of Separations by Causes in Bicycle Industry—July, 1960 to June, 1961.

Size	Separations by causes			
	Discharge or dismissals	Quits*	Retirement or death	Others
(i)	(ii)	(iii)	(iv)	(v)
(a) Large Factories	79.7	10.1	0.1	0.1
(b) Small Factories	6.1	93.1	0.8	—
All Factories	54.0	45.6	0.3	0.1

It would be evident from the above Statement that dismissals and discharges were the predominant causes of separation (54%) in the industry. But in the case of small units nearly 93 per cent. of the separations were attributed to 'quits'.

2.10. System of Recruitment—

The most popular method of engaging workers in the industry was found to be recruitment at the factory gate. Of the total number of workers employed in the industry at the time of the Survey nearly 38.6 per cent. were found to have been recruited through this method. The percentage of workers recruited through other methods was as follows:—recruitment through departmental heads—24.2, labour office—21.8, recruiters—8.1, advertisement—1.5, employment exchanges—5.6, and interview boards—0.2.

Employment exchanges were being used by the factories covered in West Bengal for recruiting production workers and in Delhi and Punjab for engaging skilled and semi-skilled workers. Interview boards were being appointed in only a few factories for filling administrative or executive posts. In the factories covered in West Bengal, nearly 71 per cent. of the workers were found to have been engaged through Labour offices and the rest directly by the managements at the factory gate. On the other hand, in the factories covered in Delhi and Punjab nearly 69 per cent. of the workers were found to have been engaged through departmental heads and about 26 per cent. at the factory gate.

*—Quits are termination of employments initiated by employees because of acceptance of jobs elsewhere, dissatisfaction, marriage, maternity, ill health, unauthorised absence, etc."

2.11. Regulation of Employment of Casual Labour—

As mentioned earlier no system of engaging *badli* workers was found to be in existence in any of the bicycle factories covered. However, some of the factories had a system of employing casual workers. In these establishments there was no regular system of regulating employment of casual labour.

2.12. Training and Apprenticeship—

Though the percentage of persons receiving training in the industry at the time of the Survey was very negligible it was found that a high proportion of bicycle factories (39.6%) were providing training facilities. In fact, with the exception of Delhi and Punjab in all other centres bicycle factories were found to be providing training facilities. Two factories, one large and one small, were surveyed in West Bengal and both of them were found to be providing training facilities. In the large factory trainees were selected from amongst Matriculates securing first class marks in Mathematics. The selected persons were appointed as apprentices for learning various important trades. The period of training was fixed at 5 years. During this period the apprentices were being paid a monthly stipend in the scale of Rs. 75—5—95. Before the start of training the trainees had to enter into a written contract but the management did not assure a job after the completion of training. In the small factory there was no regular scheme but training was being imparted on an *ad hoc* basis in certain trades e.g., drillers and grinders. The opportunity was open to all and no specific qualifications were laid down. The period of training ranged from 3 to 6 months and a consolidated sum of Rs. 60 per month was being paid to the trainees. Though no written contract existed between the managements and trainees, yet an assurance for job was given to the trainees.

In a large factory belonging to the Residual Group, training was being given in electroplating and tool-making. For the latter training, persons having diploma or having passed Inter Science or B. Sc. were selected but for training in electroplating no educational qualification was prescribed. However, persons having some experience in bicycle factories were preferred. The period of training ranged from 3 to 5 years. During the training period tool-making apprentices were being put in the scale of Rs. 75—30—165—35—200. Those receiving training in electroplating were being paid Rs. 45 to Rs. 60 per month. They were also given an annual increment of Rs. 10 to Rs. 15 depending upon their merit and performance. The trainees had to enter into a written contract before the start of training and the management guaranteed employment to them after their successful completion of the training course. Besides practical training, arrangements also existed for theoretical training. *Ad hoc* arrangements for training in the job of fitters was found to be existing in one small factory in U.P. (Residual Group). The management stated that they preferred persons recommended by Government for training. The period of training was six months. In the first month no payment was made but in subsequent months trainees were paid Rs. 10 per month. The trainees had to enter into a written contract but were not assured of a job after they completed the course.

WAGES AND EARNINGS

3.1. *Wage Revisions and Minimum Rates of Wages—*

There has been no standardisation of wages in the Bicycle Industry on a country-wide basis. The wage structure in the industry at the time of the Survey was found to be generally based on separate or collective bargaining between workers and employer of individual establishment. Consequently, it was found that the rates of wages varied not only from one centre of the industry to another but at times even in different units of the same centre. In the course of the Survey information was collected in respect of number of wage revisions since 1956 affecting majority of workers in the covered establishments and the results are given in the following Statement:

STATEMENT 3.1

Percentage of Factories Where There Were Wage Revisions since 1956.

Size							Number of factories*	Estimated percent- age of factories where there were wage revisions
(i)							(ii)	(iii)
(a) Large Factories .. .. .	..	..	..	..	..	..	9	44.4
(b) Small Factories .. .. .	..	..	..	..	..	..	44	11.4
All Factories .. .. .	..	..	..	..	..	..	53	17.0

* This number does not tally with the number of factories given in Statement 1.1. The difference is due to the fact that only those factories which continued to exist till the time of the Survey were covered.

The above figures show that wage revisions were effected only in a very few factories in the country and the overall percentage of such factories was about 17. In all these factories wage revisions took place only once since 1956. Analysis of revisions according to the method used for effecting them show that nearly 53 per cent. of the revisions were due to voluntary decisions of the managements, 23.5 per cent. were the result of agreements and the rest were attributable to executive orders of the Government. The Government of Punjab brought Bicycle Industry within the purview of the Minimum Wages Act and fixed minimum all-inclusive rates of wages for certain broad categories of workers with effect from 1st April, 1958. The rates fixed per month were Rs. 60 for unskilled workers and Rs. 80 for semi-skilled workers Grade I, Rs. 68 for semi-skilled Grade II, and Rs. 35 for learners. In regard to apprentices the orders issued by the Government laid down that those persons who held a certificate or diploma should be paid Rs. 2.25 per day or Rs. 58.50 per month after six months' training. At the time of the Survey, the daily pay of the lowest-paid worker was found to vary considerably depending upon

the area where the factories were located. For instance, it ranged from Rs. 1 in the case of a factory covered in Residual Group to Rs. 2.88 in a factory in West Bengal. The lowest paid workers were generally *mazdoors* who received consolidated wages.

3.2. Pay Periods—

The following Statement shows the estimated percentage distribution of workers according to the periods after which their wages were being settled in the industry.

STATEMENT 3.2

Estimated Distribution of Workers According to Pay Periods.

Size	Monthly	Fort- nightly	Weekly	Daily
(i)	(ii)	(iii)	(iv)	(v)
(a) Large Factories	80.2	—	18.2	1.6
(b) Small Factories	91.5	—	8.5	—
All Factories	82.2	—	16.5	1.3

It would be evident from the above figures that the predominant pay period in the industry was month. In fact all the factories surveyed in West Bengal, Delhi and Punjab had only month as their pay period. The system of weekly or daily payment was found to be existing in States other than mentioned above (i.e., the Residual Group). In the Residual Group of factories, about 4 per cent. of the workers were being paid daily wages and of the rest, half were being paid monthly and another half weekly wages.

3.3. Earnings—

In the course of the Survey, data were collected in respect of earnings of broad groups of workers i.e., (i) all workers (i.e., those covered under the Factories Act), (ii) all production workers (separately for men, women and children), (iii) lowest paid workers employed directly as well as through contractors, (iv) clerical employees, and (v) watch and ward and other related workers. The information so collected is presented in the following Statement. In order to ensure the comparability of the data, information relating to earnings was collected for one pay period immediately preceding 30th June, 1961.

STATEMENT 3.3

Estimated Average Daily Earnings of Workers in the Bicycle Industry During June, 1961.

(In Rupees)					
Size	All workers*	Production workers			All production workers
		Men	Women	Children	
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories	5.63	4.27	—	—	4.27
(b) Small Factories	3.37	3.08	2.03	—	3.08
All Factories	5.18	4.63	2.63	—	4.63

* All persons covered under the Factories Act.

The estimated average daily earnings of a worker in bicycle factories in the country work out to Rs. 5.18 in June, 1961. Considerable disparity existed between the earnings of workers employed in different areas as also of those employed in large and small factories in the same area. The disparity was greatest in West Bengal, Punjab and Delhi, where the earnings of workers employed in large factories were much higher than that of those employed in small establishments.

More or less similar was the position in regard to earnings of production workers. Women were found to be employed only in a few factories covered in Delhi and Punjab. Wherever employed, they were generally engaged for conservancy work. Usually no distinction existed in the rates of men and women if employed for identical jobs. The main reason for differences in the earnings of men and women workers, as reflected in the above Statement is that women were invariably found to be employed on low-paid jobs.

3.4. Lowest Paid Workers—

The following Statement shows the earnings of workers in lowest paid occupations among production workers.

STATEMENT 3.4

Estimated Average Daily Earnings of Lowest Paid Production Workers in Bicycle Industry—June, 1961.

(In Rupees)

Size	Employed directly			Employed through contractors			All lowest paid workers		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
(a) Large Factories	2.36	—	2.36	—	—	—	2.36	—	2.36
(b) Small Factories	1.74	—	1.74	—	—	—	1.74	—	1.74
All Factories	2.27	—	2.27	—	—	—	2.27	—	2.27

As in the case of all production workers the earnings of lowest paid workers were also higher in large factories. Here again the earnings of lowest paid workers were found to be the highest in factories covered in West Bengal and lowest in the Residual Group.

3.5. Earnings of Clerical and Watch and Ward Staff—

Data were also collected concerning earnings, without break up by components, of clerical employees and of persons belonging to the

group 'Watch and Ward and Other Services'. Details are given in the following Statement:—

STATEMENT 3.5

Estimated Average Daily Earnings of Clerical and Watch and Ward Employees—June, 1961.

						(In Rupees)	
Size						Clerical and Related Workers	Watch and Ward and Other Services
(i)						(ii)	(iii)
(a) Large Factories						6.78	3.19
(b) Small Factories						4.69	1.98
All Factories						6.50	3.03

The average daily earnings of clerical and related employees varied from factory to factory and ranged between Rs. 4.29 and Rs. 9.23 per day, depending upon the area where the factory was located. Earnings per day were the highest in West Bengal State followed by Delhi and Punjab and lowest in the factories belonging to the Residual Group. Everywhere earnings of clerks, etc., were higher in large factories as compared to small ones. The overall earnings of this group of employees was higher than those of all workers, production workers and watch and ward staff.

Variations are also reflected in the case of watch and ward staff, etc., and the reasons are the same. The average daily earnings of persons in the group 'Watch and Ward and Other Services' ranged from Rs. 1.65 to Rs. 4.84. It was noticed that the average earnings of this group of employees were higher than those of the lowest paid production workers but lower than those of all production workers.

3.6. Components of Earnings—

3.6.1. *Basic Earnings*—The term basic earnings includes basic wage and dearness allowance wherever paid separately or consolidated wages where no dearness allowance is being paid as a separate component. It was found in the course of the Survey that with the exception of two of the factories covered in West Bengal there was no system of paying a separate dearness allowance in any of the factories and only consolidated wages were being paid. Even in West Bengal factories casual *mazdoors* and apprentices were being paid only consolidated wages. Of the two factories in West Bengal, in one,

which was a large establishment, dearness allowance was linked to consumer price index number and in the other different amount was being paid to workers in different wage groups. The details of various components of earnings of workers are given in the following Statement.

STATEMENT 3.6

Estimated Average Daily Earnings (by components) of All Workers in Bicycle Industry—June, 1961.

(In Rupees)

Size	Basic earnings (basic wage and dearness allowance)	Production bonus	Night shift allowance	House rent allowance	Transport allowance	Overtime pay	Other allowance	Total
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
(a) Large Factories	5.07 (90.0)	0.33 (5.9)	— (0.0)	— (0.0)	— (0.0)	0.23 (4.1)	0.00 (0.0)	5.63 (100.0)
(b) Small Factories	3.26 (96.7)	— (0.0)	— (0.0)	— (0.0)	— (0.0)	0.11 (3.3)	— (0.0)	3.37 (100.0)
All Factories	4.71 (90.9)	0.26 (5.0)	— (0.0)	— (0.0)	— (0.0)	0.21 (4.1)	0.60 (0.0)	5.18 (100.0)

NOTE—Figures in brackets are percentages to col. (ix).

In the country, as a whole, basic earnings of the workers constituted nearly 91 per cent. of the total earnings. The proportion which this component formed to the total earnings varied from area to area and ranged from 77 per cent. in factories covered in West Bengal to 100 per cent. in those covered in Delhi and Punjab.

3.6.2. Production or Incentive Bonus—This component formed 5 per cent. of the total earnings of workers in the industry as a whole. The system of paying production or incentive bonus was found to be in vogue in only one of the large factories in West Bengal. In this factory, all workers were entitled to receive production or incentive bonus, if the production of bicycles was 950 per day of 9 hours' work. The rate of payment differed from occupation to occupation and was in accordance with an agreement reached between the workers and the management.

3.6.3. Overtime Pay—The data collected show that overtime pay constituted nearly 4 per cent. of the total earnings of workers in the industry. The system of overtime work was found to be existing in both the factories covered in West Bengal and in only one of those in Residual Group.

3.6.4. Other Allowances—The system of paying any other allowances was almost non-existent. Only some stray factories were found to be paying night-shift allowance, house rent allowance and gun allowance. For instance, one of the large factories in the Delhi and

Punjab area was found to be paying 10 per cent. of the wages to those employees who were asked to work permanently in night-shift. Similarly, one large factory in West Bengal was paying house rent allowance at the rate of 10 per cent. of pay to those skilled and technical personnel who had been recruited from far off places and had not been provided with residential accommodation by the management. The same factory was paying gun allowance at the rate of Rs. 5 per month to some workers of the security staff. Since the payment of these allowances was restricted to only a few workers in a particular unit, the sums paid separately in each of them were so insignificant that they were not reflected in the all-India figures in Statement 3.6.

3.7. *Annual Bonus*—

None of the factories visited had any profit-sharing scheme but the system of paying year-end bonus on an *ad hoc* basis was found to be in vogue in two factories in Delhi and Punjab. Thus it is estimated that the system of paying such a bonus existed in nearly 18.9 per cent. of the factories in the industry. In one of the factories the payment was made on the basis of a voluntary agreement while in the other bonus was paid at the discretion of the employer. In both the factories the bonus was payable to all workers who completed a qualifying period of service, which was 3 months in one factory and one year in the other. Payments were in cash. Workers in one of the factories were paid one month's wages as bonus while in the other two months' wages had been paid.

3.7.1. *Festival Bonus*—The system of paying festival bonus was prevalent in only one of the sampled large factories situated in West Bengal, representing about 4 per cent. of all factories in the country. Under an agreement reached between the management and workers of this factory all permanent workers were being paid one and a half months' basic wages as bonus on the occasion of 'Durga Puja'.

3.8. *Fines and Deductions*—

The Survey results show that none of the units surveyed were imposing any fine on their workers. Deductions, wherever made, were in conformity with the provisions of the Payment of Wages Act.

CHAPTER IV

WORKING CONDITIONS

4.1. Shifts—

The Survey results indicate that about 57 per cent. of the factories in the Bicycle Industry worked only one shift, nearly 35 per cent. two shifts and 7.6 per cent. three shifts a day. The distribution of bicycle factories according to the number of shifts worked is given in the following Statement:

STATEMENT 4.1

Estimated Percentage Distribution of Bicycle Factories According to Number of Shifts Worked—1961-62.

Size	Number of factories		Percentage of factories working			Percentage of factories having night shifts
			One shift	Two shifts	Three shifts	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	
(a) Large Factories	9	22.2	33.3	44.5	44.4	
(b) Small Factories	44	64.8	35.2	..	10.2	
All Factories	53	57.5	34.9	7.6	16.0	

It would be evident from the above Statement that three shifts system was in vogue only in large factories. In fact with the exception of West Bengal everywhere else most of the small factories worked only one shift.

Sixteen per cent. of the factories in the country worked night shift. Barring some of the small factories night shift working was noticed in large establishments alone. All the factories working night shift had a regular system of transferring workers from one shift to another. With the exception of one of the large factories in West Bengal, where changeover was effected once a week, everywhere there was a system of fortnightly changeover. Every large factory working night shift paid some allowance or provided certain amenities to those employed in night shift. The large factory in West Bengal paid Re. 0.19 per worker per shift. While in another large factory located in the Delhi and Punjab area workers employed in night shift were not only required to put in lesser working hours but were being provided free tea or milk and *gur*. In this very factory those workers who were asked to work permanently in night shifts were also paid an allowance at the rate of 10 per cent. of their wages.

4.2. Hours of Work—

The Statement given below shows the proportion of factories according to the daily hours of work of majority of their workers.

STATEMENT 4.2
Daily Hours of Work in Bicycle Factories—1961-62.

Size	Number of factories	Estimated percentage of factories where					
		Daily hours of work of majority of workers were			Night Shift hours were		
		Less than 8	Equal to 8	More than 8	Upto 6	More than 6 but up to 7	More than 7 but up to 8
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
(a) Large Factories	9	—	55.6	44.4	—	50.0	50.0
(b) Small Factories	44	—	100.0	—	—	—	100.0
All Factories	53	—	92.5	7.5	—	23.5	76.5

The Survey results show that over 92 per cent. of the factories had prescribed an 8-hours a day or 48-hours a week for their workers. The remaining factories (i.e., 7.5%) where working hours were more than 8 a day, were all large establishments located either in West Bengal or Delhi and Punjab. In these factories either Saturdays were off days for the concerned employees or hours of work were only 3 so as to make 45 or 45½-hours a week. Everywhere the hours of work in night shifts were more than 6 and up to 8, but in most of the cases they ranged between 7 and 8.

The daily spreadover of hours of work generally ranged between 8 and 9 in all the factories in the country and the period of rest interval varied from half an hour to one hour. No violations were noticed in regard to hours of work and rest intervals in any of the sampled factories.

4.3. Dust and Fumes—

During the Survey, it was noticed that there were certain manufacturing processes which caused considerable amount of dust. Some such processes were buffing, glazing and polishing. It is estimated that nearly 34 per cent. of bicycle factories in the country had such processes. Wherever such processes were noticed the managements were found to have taken precautionary measures, the nature of which varied. While some (22.2%) had adopted elaborate measures in the form of installation of general as well as local exhausts, use of wet process, isolation of the process and supply of dust masks, others had taken only some simple precautionary steps like isolation of the process and installation of local exhausts. Only in 25 per cent. of factories the house keeping of the departments having dusty processes was found to be unsatisfactory. Most of the defaulting factories were of small size and belonged to the Residual Group.

The processes which were found to be emitting fumes or vapours were generally chrome, nickel or electroplating and spray painting. Such processes were noticed in about 25 per cent. of the factories and most of them were large establishments. All such factories had installed local as well as general exhausts to arrest fumes and had isolated the processes. Some of them were found to have supplied even gas masks to persons engaged on hazardous processes.

The Survey results show that about 52 per cent. of the factories in the country supplied protective equipment to those employees who were engaged on hazardous processes. Such an arrangement existed in all the large factories covered in the course of the Survey.

4.4. Seats for Workers—

Under the Factories Act, 1948, it is obligatory on the part of the managements to make suitable arrangements for sitting for all such workers who are obliged to work in a standing position so that they may take advantage of any opportunity for rest which may occur in the course of the work. All the large factories and only some of the small establishments were found to have complied with the above requirement. The overall percentage of factories providing seats is estimated to be 34. The main explanation given by the defaulting employers was that the nature of work was such that it involved continuous movement of workers and hence it was useless to provide seats. A few said that those not provided with seats could take rest on the floor whenever they desired.

4.5. Conservancy—

The Factories Act, 1948, requires every employer to maintain adequate number of latrines and urinals for the use of workers, separately for men and women. It not only lays down the scale of conservancy arrangements but also provides that they should be adequately lighted, ventilated and maintained in a clean and sanitary condition at all times. The following Statement contains details relating to conservancy arrangements found in bicycle factories at the time of the Survey.

STATEMENT 4.3
Conservancy Arrangements in Bicycle Industry—1961-62.

Size	Number of factories	Estimate 1 percentage of factories							Provid- ing water taps near lavat- ory	Where latrines were properly screened	Employ- ing women and having separate arrango- ments for them*
		Providing		Where latrines were of							
		Latrines	Urinals	Water Borne sewers	Septic tank	Dry Bore hole	Type Pan	Other types			
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
(a) Large Fac- tories	9	100.0	100.0	—	55.6	—	44.4	—	100.0	100.0	40.0
(b) Small Fac- tories	44	100.0	71.6	20.5	25.0	17.0	37.5	..	100.0	100.0	..
All Factories	53	100.0	76.4	17.0	30.2	14.1	33.7	—	100.0	100.0	16.0

* The Percentages relate to factories providing latrines and urinals as also employing women.

All the factories surveyed were found to have provided latrines. However, the type of arrangements made varied considerably. All the factories visited in Delhi and Punjab and less than half in the Residual Group had only dry type of latrines. Elsewhere they were either water borne or of the septic tank type. As mentioned earlier, only 24 per cent. of factories employed women and even where employed the number was almost insignificant. This probably accounts for the fact that with the exception of one large factory covered in West Bengal nowhere separate arrangements had been made for women. All the factories surveyed were found to have complied with the provision of the law in regard to proper screening of latrines and provision of water taps.

The position in regard to urinals, however, was not as good. It is estimated that only 76.4 per cent. of the factories in the country had provided urinal facilities. The defaulting employers were mainly owners of small establishments located in States other than West Bengal. It is estimated that nearly 87 per cent. of factories had the prescribed number of latrines. Similar figure in respect of urinals was about 74. Barring a very few factories in Delhi and Punjab, everywhere permanent structures had been put up for latrines and urinals. Walls of latrines and urinals were found to be plastered everywhere except in some of the small establishments belonging to the Residual Group. The percentage of factories where sanitary condition was found to be unsatisfactory was only 11.

4.6. *Leave and Holidays with Pay*—

4.6.1. *Earned Leave*—Though the law requires employers to grant annual leave (earned leave) with pay to all their employees, yet either by convention or as a result of agreements or adjudication awards, the system of granting other type of leave and holidays has now come into vogue in a fairly large number of bicycle factories in the country. The following Statement gives the details of the various types of leave with pay being granted to workers in the industry.

STATEMENT 4.4

Estimated Percentage of Bicycle Factories Granting Various Types of Leave and Holidays with Pay—1961-62.

Size		Percentage of factories granting				
		Number of factories	Earned leave (i.e., Annual leave)	Casual leave	Sick leave	National and festival holidays
(i)		(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories	.. ..	9	100.0	66.7	66.7	100.0
(b) Small Factories	.. ..	44	95.4	45.5	25.0	90.7
All Factories	.. ..	53	96.2	49.0	32.1	92.3

The Survey results reveal that about 96 per cent. of the factories were granting earned leave to their employees. All those which were not allowing earned leave were small establishments in the Residual Group. The factories granting leave were following the provisions of the Factories Act in regard to period of leave, qualifying conditions, and rate of payment, etc. In order to obtain a picture of the extent of benefit actually enjoyed by workers, statistics were collected about the number of workers who availed of leave during 1960-61.

The following Statement shows the estimated average daily number of workers employed in the industry in 1960-61 and the number of workers who enjoyed leave according to the number of days availed.

STATEMENT 4.5

Number of Workers Granted Earned Leave with Pay During, 1960-61.

Size	Esti- mated average daily number of workers emp- loyed in 1960-61.	Esti- mated number of wor- kers who enjoyed leave in 1960- 61.	Estimated per- centage of wor- kers who enjoyed leave to the total emp- loyed.	Estimated distribution of workers who enjoyed leave by period of leave taken						
				Upto 5 days	6 to 10 days	11 to 15 days	16 to 20 days	21 to 25 days	26 to 30 days	Over 30 days
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
(a) Large Factories	8,503	8,201	96.4	7.6	9.0	57.3	10.3	7.6	4.8	3.4
(b) Small Factories	1,784	1,447	81.1	15.6	33.7	31.8	12.8	2.7	1.9	1.5
All Factories	10,292	9,648	93.7	8.8	12.7	53.5	10.7	6.8	4.4	3.1

The above statistics show that about 94 per cent. of the workers in the industry availed of earned leave with pay during 1960-61. Over two-thirds of workers enjoyed 6 to 15 days leave. It was found that the proportion of workers getting leave was the highest in factories covered in West Bengal and lowest in the Residual Group.

4.6.2. *Casual Leave*—In addition to paid annual leave, about 49 per cent. of the factories had a system of granting casual leave with pay*. In one of the large factories covered in West Bengal the benefit of casual leave was available to all employees. The only distinction was that while workers were allowed casual leave up to 4 days in a year, officers and staff were entitled to 10 days. In another factory in this State, which was a small establishment, casual leave was allowed up to 10 days but the benefit was confined to administrative, technical and clerical personnel only. Of the two large factories visited in the course of the Survey in Delhi and Punjab, in one, casual leave was given to all workers for 2 days in a year, while in the other, though

* Refer to statement 4.4.

such a leave was allowed up to 5 days in a year, the benefit was restricted to only permanent workers. Curiously enough in the Residual Group this facility was available to workers in some of the small establishments alone. In one small factory this facility was given to all workers to the extent of 6 days in a year and in another the privilege was limited to permanent workers and the number of days were not fixed.

4.6.3. *Sick Leave*—Wherever the Employees' State Insurance Scheme was in force, workers were entitled to sick leave with cash benefits subject to certain qualifying conditions. However, in those areas where the Scheme was not in force the granting of such leave was entirely at the discretion of the managements. In the course of the Survey it was found that both the factories (one large and one small) covered in West Bengal and two large factories located in Punjab had a system of granting sick leave. On this basis it is estimated that about 32 per cent. of the factories in the country were allowing sick leave to their employees. All the factories were located in the non-implemented areas, (i.e., where the Employees' State Insurance Scheme was not in force). In the large factory of West Bengal sick leave was allowed up to 15 days in a year to all workers. The only qualifying condition imposed was production of a medical certificate. In the small factory in this State the period of leave and qualifying conditions were the same but the benefit was available only to permanent workers. Of the two factories in Punjab, one was giving sick leave up to 3 days to all workers while in the other the benefit was restricted to permanent workers only and the days allowed were 5. Both these factories insisted on the submission of medical certificates before such a leave was sanctioned and paid.

4.6.4. *National and Festival Holidays*—The system of granting national and festival holidays with pay was found to be wide-spread in the industry throughout the country. It is estimated that about 92 per cent. of the bicycle factories had the system of granting such holidays. The small percentage of factories where no such holidays were granted were all small factories in the Residual Group. There was no uniformity in regard to the number of days allowed, which ranged from 4 to 15. However, about 79 per cent. granted 6 to 10 days, 12 per cent. 11 to 15 days and the rest up to 5 days in a year. Everywhere the proportion of factories granting larger number of holidays was greater in the case of large factories. The qualifying condition universally prescribed for the grant of the national and festival holidays with pay was that the worker must be present on the working day preceding or following the holiday.

4.6.5. *Weekly Off*—All the factories throughout the country were found to be complying with the provisions of the law in regard to the grant of weekly off to their employees. However, except in the case of monthly-rated staff, such offs were without pay. In some cases managements insisted on the presence of monthly-rated employees on the preceding or succeeding day of the off for entitlement to payment.

CHAPTER V

WELFARE AND AMENITIES

Welfare activities undertaken by employers and various amenities provided to workers fall under two distinct categories, viz., (a) Obligatory, i.e., those prescribed under the Factories Act, 1948, and (b) Voluntary, i.e., those which are not statutory but are being provided by employers of their own accord as a moral obligation or in a spirit of benevolence. Details collected during the Survey relating to both the types of facilities are discussed in the following paragraphs.

(A) OBLIGATORY

5.1. *Drinking Water Facilities—*

All the bicycle factories, large as well as small, surveyed in the country had provided drinking water facilities to their employes. There was, however, considerable diversity in the type of arrangements made as will be evident from the following Statement.

STATEMENT 5.1

Drinking Water Facilities in Bicycle Factories, 1961-62.

Size	Estimated number of factories	Estimated percentage of units where drinking water facility existed	Estimated percentage of factories where water was supplied through						Estimated percentage of factories having arrangements for cool water in summer
			Mechanical coolers	Earthen pitchers only	Earthen pitchers, buckets, drums, etc.	Tube wells or well	Taps	only buckets and drums	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
(a) Large Factories ..	9	100.0	—	—	—	22.2	55.6	22.2	100.0
(b) Small Factories ..	44	100.0	—	10.2	10.2	—	79.6	—	65.9
All Factories ..	53	100.0	—	8.5	8.5	3.8	75.4	3.8	71.7

In both small as well as large factories the predominant facility for drinking water was in the form of taps. In fact in West Bengal all the factories visited had this very source of supply. None of the factories covered had installed mechanical coolers.

The rules framed by the State Government under the Factories Act, 1948, lay down that "every factory employing more than 250 workers should supply drinking water cooled by ice or other effective method during certain specified period of the year." In the course of the Survey it was found that all such factories which were under a statutory obligation to supply cool drinking water to its employees

during summer months had complied with the provisions of the law. In addition to these, nearly 58.5 per cent. of the factories, which were not under any statutory obligation, also stated that they made arrangements for cool water during summer months. Thus it is estimated that the percentage of factories making special arrangements of cool water was 71.7. Of these, 64 per cent. provided only earthen pitchers, 5.3 supplied iced water and the rest stated that they had installed mechanical coolers during summer months.

5.2. *Washing and Bathing Facilities—*

In each and every bicycle factory visited in the course of the Survey, one or the other arrangement for washing existed. In majority of the cases (i.e., 71.7 per cent.) they were in the form of taps on stand pipes. In the rest either wash basins with taps or water receptacles for washing purposes had been provided. In all the factories, providing washing facilities, soap was being supplied and a few were also providing towels.

Bathing facilities were available in about 79 per cent. of the factories in the country, as a whole. As mentioned earlier, only handful of women workers were employed in the entire industry. Majority of them were engaged in conservancy jobs. Therefore, with the exception of the large factories in West Bengal nowhere else management provided separate bathing facilities for women workers. Everywhere bath-rooms were found to be neat and clean. Locker facilities were found to be existing in about 15 per cent. of the factories in the country.

5.3. *Canteens—*

Under the Factories Act only those establishments, which employ more than 250 workers, and are specifically ordered to do so, are required to maintain a canteen for the use of workers. All the factories which employed 250 or more workers and came in the sample were found to have complied with the law and provided canteens. One-third of these canteens were being run by contractors and the rest were being run departmentally. Generally canteens served only tea, coffee and snacks, etc., at subsidised rates. Each one of them served meals as well.

Canteen Managing Committees, as required by law, existed in every factory and the prices of the items sold were fixed by these Committees. Except for those canteens which were run by contractors, everywhere price lists were displaced at appropriate places. Location of canteens in West Bengal factories was found to be very good. Elsewhere it could be treated only as reasonable. In some of the canteens, functioning in the Residual Group of factories, the hygienic condition was found to be satisfactory.

5.4. *Rest Shelters—*

Provision of rest shelters is obligatory for those factories alone which ordinarily employ more than 150 workers and do not have canteens of the prescribed standard. The percentage of such large bicycle factories in the country was 77.8 (i.e. 13 per cent. of the total factories). Of these, 57 per cent. had canteens of the prescribed standard and hence were free not to provide a rest shelter. Thus only 42.9 per cent. of large factories (or 5.7 per cent. of all factories) were defaulters in this regard.

5.5. *Creches—*

Though the Survey results show that about 24 per cent. of bicycle factories employed women, all employed them in so small numbers that none were under a statutory obligation to maintain a creche and none was found to have done so either.

5.6. *Medical Facilities—*

Under the Factories Act, 1948, employers are required to maintain first-aid boxes at a prescribed scale and containing the prescribed contents. Though all the factories in the industry had maintained first-aid boxes, yet only 52.8 per cent. of them kept the prescribed contents. Barring a few factories everywhere first-aid boxes were readily accessible.

The law requires that such boxes should be kept under the charge of trained first-aiders, but the Survey results indicate that about 34 per cent. of the factories had complied with this requirement. In all these factories the trained first-aiders were holding diploma of the St. John's Ambulance course.

Those establishments which employ more than 500 workers are further required by the Factories Act to maintain ambulance rooms. Only two large factories, which were covered for the Survey were under a statutory obligation to maintain an ambulance room. Of these, only one was found to be having an ambulance room.

Besides the above arrangements, the managements of factories are not under a statutory obligation to provide any other medical facility, but it was noticed that 7.6 per cent. maintained dispensaries for giving medical facilities to their employees. This percentage is composed of two large factories, one of which was situated in West Bengal and another in the Delhi and Punjab area. In both these units the dispensaries were under the charge of full-time doctors. One small factory in West Bengal had entered into a contract with a local medical practitioner for rendering medical aid to its employees.

(B) *NON-OBLIGATORY—*

5.7. *Recreational Facilities—*

It is estimated that facilities for the recreation of workers existed in about 34 per cent. of the factories in the country. All those factories arranged occasional film shows and organised dramatic performances, as also religious or social functions on such occasions as 'Durga Puja', 'Kali Puja', 'Vishwa Karma Puja' and 'Saraswati Puja'. However, so far as games are concerned the type of the arrangements made varied considerably from one factory to another. For instance, while in some of the large factories arrangements existed for various types of in-door as well as out-door games, elsewhere facility was being provided for the game of football or volleyball either on a regular or irregular basis. In majority of the factories providing recreational facilities, the cost was being met entirely by the managements, in nearly 28 per cent. jointly by managements and workers and in 11 per cent. partly by *ad hoc* contributions of employees and partly from welfare funds. In all the concerned factories committees had been constituted for organising recreational activities. These committees were bi partite in large factories. Elsewhere they consisted entirely of workers' representatives.

5.8. Educational Facilities—

Arrangements for the education of workers' children existed in only two large bicycle factories in the country giving an overall percentage of 76 for the entire country. In one of these factories a primary school was being run by a committee of workers for imparting free education. The employers were, however, paying a subsidy. The other factory was running a nursery school where fee was being charged from children. None of the factories surveyed had made any arrangements for adult education.

5.9. Other Facilities—

Transport Facilities—No factory in the country had provided transport facility to their employees or was paying any cash allowance in lieu thereof.

5.10. Grain Shops and Co-operative Societies—

In the whole country, only one large factory in the Delhi and Punjab area, representing 3.8 per cent. of bicycle factories in the country, was running a grain shop. Where commodities were being sold at cost price. There were no co-operative societies in any of the factories surveyed.

5.11. Housing—

The following Statement shows the details regarding the percentage of factories providing accommodation, type of accommodation provided, rent charged, etc.

STATEMENT 5.2

Estimated Proportion of Bicycle Factories Providing Accommodation to their Employees—1961-62.

Size	Number of factories	Percentage of factories providing houses	Estimated number of houses provided	Percentage of houses with living accommodation			Percentage of factories which charged		
				One room	Two rooms	Three rooms or more	Rent from all	No rent from all	Rent from some employees
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
(a) Large Factories	9	77.8	779	85.0	1.9	13.1	—	71.4	28.6
(b) Small Factories	44	35.2	86	100.0	—	—	68.8	31.2	—
All Factories	53	42.5	865	86.5	1.7	11.8	47.8	43.5	8.7

The information collected shows that nearly 42 per cent. of the factories were providing housing accommodation to their employees. The proportion of large factories providing houses was much higher (78%) as compared to small establishments (35%). Statistics collec-

ted regarding the number of workers provided accommodation, however, show that the benefit was not very extensive as it was enjoyed by only about 10 per cent. of the workers. Nearly 43 per cent. of the factories providing houses did not charge any rent. The categories of workers to whom the managements provided houses varied from unit to unit. Of the factories providing housing accommodation, only about 70 per cent. provided houses to all workers and the rest to only Watch and Ward staff. Details regarding the percentage of units providing housing accommodation to the different categories of employees are given in the following Statement.

STATEMENT 5.3

Estimated Percentage of Factories Providing Housing Accommodation to Different Categories of Workers in 1961-62.

Size	Estimated number of workers* as on 30-6-61	Percent- age of workers allotted housing accommo- dation	Percent- age of factories providing houses	Percentage of factories where houses were allotted to			
				All workers	Only watch and ward	Only super- visory and technical staff	Only some employees of some categories
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
(a) Large Factories	10,315	11.0	77.8	71.4	28.6	—	—
(b) Small Factories	2,305	5.5	35.2	68.8	31.2	—	—
All Factories	12,620	10.0	42.5	69.6	30.4	—	—

*Workers deemed to be covered under the Factories Act.

CHAPTER VI

SOCIAL SECURITY

Prior to the attainment of Independence industrial workers in the country enjoyed only a limited amount of social security. It was mainly in the shape of Workmen's Compensation Act, passed by the Central Government and the Maternity Benefit Acts enacted by the State Governments. However, after Independence there has been considerable enlargement of the scope and content of social security benefits largely as a result of adoption of such statutory measures as the Employees' State Insurance Act and the Employees' Provident Funds Act and to a certain extent as a result of adjudication awards. The following paragraphs describe briefly the social security enjoyed by workers in bicycle factories at the time of the Survey.

6.1. *Provident Funds—*

The findings of the Survey reveal that in none of the bicycle factories surveyed there was any provident fund scheme prior to the enforcement of the Employees' Provident Funds Act, 1952. The scheme framed under this Act was put into force with effect from 1st November, 1952, initially in six industries, Bicycle Industry being one of them. At its inception the Scheme applied only to those factories which employed 50 or more workers and had completed three years of their existence. The employment limit was reduced to 20 with effect from 31st December, 1960. This change brought more factories and thereby large number of workers under the purview of the Scheme. During the period of the Survey, it was found that 39.6 per cent. of bicycle factories in the country had provident fund schemes and 52 per cent. of the workers in the industry were found to be members of the fund on 30th June, 1961. The provident fund scheme was in existence in all the large factories covered in the course of the Survey. But in the case of small factories the scheme was found to be in force in about 27 per cent. of factories in the country. The main reason for such a low percentage is that many of the small factories had either not completed three years of their existence or employed less than 20 workers. The following Statement shows the proportion of factories having provident fund scheme and workers who were members of funds as on 30th June, 1961.

STATEMENT 6.1

Estimated Proportion of Workers who were Members of Provident Funds on 30th June, 1961.

Size		Number of factories	Percentage of factories having provident funds	Estimated number of workers employed*	Proportion of workers who were members of provident funds
(i)		(ii)	(iii)	(iv)	(v)
(a) Large Factories	..	9	100.0	10,215	6,142 (59.5)
(b) Small Factories	..	44	27.3	2,305	420 (18.2)
All Factories	.. ..	53	39.6	12,620	6,562 (52.0)

*Covered under the Factories Act.

NOTE—Figures in brackets are percentages.

Wherever provident funds were in existence, the qualifying conditions, rate of contributions, etc., were uniform and were the same as prescribed under the Employees' Provident Fund Scheme. That is, membership was open to all those employees who were receiving up to Rs. 500/- per month and had completed a continuous service of one year. The rate of contribution of employees was 6½ per cent. of their basic wage and dearness allowance including the cash value of food concessions, if any, and an equal sum was being contributed by employers.

6.2. Pension and Gratuity Schemes—

The Survey results show that in none of the units covered there was any pension or gratuity scheme for workers.

In those areas where the Employees' State Insurance Act was in force, workers employed in this industry, like other industrial workers in the area, enjoyed cash as well as medical benefits in cases of sickness, maternity and industrial accidents. Since only combined records were being maintained of all industrial workers where the Employees' State Insurance Scheme was in force, it was not possible to obtain separate information regarding the extent of benefits enjoyed by workers employed in bicycle factories in these areas under the Scheme. In the subsequent paras, therefore, information is given regarding the position in establishments functioning in non-implemented areas.

6.3. Maternity Benefits—

The Survey results reveal that during the year 1960-61, not a single case of payment of maternity benefit was reported. This is probably due to an insignificant number of women employed in the industry.

6.4. Industrial Accidents—

According to the data collected for the year 1960-61, it is estimated that accidents occurred in 54.7 per cent. of bicycle factories in the country. The number of persons involved in accidents was higher in large factories as compared to small factories. The following Statement shows the distribution of persons involved in accidents by the nature of accidents.

STATEMENT 6.2

Estimated Percentage Distribution of Persons Involved in Accidents During 1960-61.

Size		Estimated number of persons involved in accidents	Percentage distribution of persons involved in accidents resulting in		
			Death	Permanent disability	Temporary disability
(i)		(ii)	(iii)	(iv)	(v)
(a) Large Factories	..	363	—	6.6	93.4
(b) Small Factories	..	64	9.4	—	90.6
All Factories	..	427	1.4	5.6	93.0

Nearly 93 per cent. of the workers involved in accidents suffered from temporary disability. The percentage of persons suffering from permanent disability or who died was quite low. All fatal accidents occurred in small factories belonging to the Residual Group. On the other hand all cases relating to permanent disability were reported by large factories covered in West Bengal, Delhi and Punjab.

The following Statement gives statistics according to the distribution of workers involved in accidents during 1960-61.

STATEMENT 6.3

Industrial Accidents in Bicycle Factories During 1960-61.

Size	Estimated number of workers		Death	Estimated distribution of workers involved in accidents resulting in	
	Employed in the industry*	Involved in accidents		Permanent disability	Temporary disability
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories ..	10,315	363 (35.2)	—	24 (2.3)	339 (32.9)
(b) Small Factories ..	2,305	64 (27.8)	6 (2.6)	—	58 (25.2)
All Factories ..	12,620	427 (33.8)	6 (0.5)	24 (1.9)	397 (31.4)

NOTE.—Figures in brackets are rates per thousand.

* Relate to those covered under the Factories Act.

In the Bicycle Industry, as a whole, it is estimated that the number of accidents per thousand workers was 34. Of these, temporary disability alone accounted for 397 persons (i.e., 31.4 per thousand) and the remaining suffered permanent disability or death. The rate of accidents resulting in death and permanent disability in the industry per thousand was 0.5 and 1.9. respectively.

None of the sampled establishments reported any occupational disease.

CHAPTER VII

INDUSTRIAL RELATIONS

Separate statistics relating to number and nature of industrial disputes in the Bicycle Industry are not available and hence it is not possible to comment on the state of labour-management relations in the industry. However, in the course of the Survey information was collected on certain aspects relating to industrial relations e.g., extent of development of trade unionism and the arrangements existing in the establishments for promoting close contacts and cordial relations between labour and managements. The findings are discussed in the following paragraphs.

7.1. Trade Unionism—

The information collected shows that there has been a fair growth of trade unionism in the industry inasmuch as workers were found to have organised themselves into unions in about 48 per cent. of the factories. From the point of view of proportion of workers who were members of unions the position was still better. It is estimated that in the industry about 68 per cent. of workers were members of unions. It may be mentioned that in many cases no membership registers were available and in such cases reliance had to be placed on figures given by union officials.

The details regarding the extent of trade unionism in the Bicycle Industry are given in the following Statement:

STATEMENT 7.1

Extent of Trade Unionism in Bicycle Industry in 1961-62.

Size	Number of factories	Estimated percentage of factories where workers were organised into unions	Estimated number of workers* in bicycle factories	Estimated percentage of workers who were members of unions as on 30-6-61	Percentage of factories having unions and recognising them
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories ..	9	77.8	10,315	76.2	28.6
(b) Small Factories ..	44	42.1	2,305	32.0	42.1
All Factories ..	53	48.1	12,620	68.2	38.5

*Relate to those covered under the Factories Act.

It will be noticed that trade unionism in the Bicycle Industry had developed more in large factories (77.8%) as compared to small factories (42%) in the country. Multiplicity of unions was noticed in 19.6 per cent. of the factories having unions. It was noticed that only in large factories more than one union existed. In fact such was the situation in nearly 71 per cent. of large factories having unions.

The managements are not under any statutory obligation to accord recognition to unions existing in their establishments. This probably accounts for a low percentage of factories having unions and according recognition to at least one of them. Curiously enough the percentage of factories according recognition was higher among small establishments. On being questioned about the reason for not according recognition the managements generally stated that they refrained from doing so as they felt that union officials created problems and thus disturbed the smooth working of the factory. Some of them attributed their stand to the existence of multiplicity of unions.

The following Statement gives the percentage distribution of unions according to the main activities undertaken by them.

STATEMENT 7.2

Estimated Percentage Distribution of Unions According to Main Activities Undertaken 1961-62.

Size		Recrea- tional Facilities	Welfare	Adult Education	Securing claims under Labour Acts	Relief to distressed members
(i)		(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories	..	66.7	16.7	—	50.0	16.7
(b) Small Factories	..	—	—	—	100.0	100.0
All Factories	..	25.8	6.4	—	80.6	67.7

It is evident from the above Statement that by and large the main activity of the unions in the industry was securing of claims of their members under various labour Acts. Generally speaking, unions in large factories had a wider range of activities. Besides securing claims under various labour Acts, they were arranging for recreation of their members and organising welfare and relief measures. One of the unions functioning in a large factory was found to be running a primary school and a library and also organising cultural activities. A few of the unions functioning in small factories, situated in West Bengal, Delhi and Punjab, were found to be providing relief to distressed members. They had no regular fund but occasionally collected small amounts to help needy members. None of the unions had paid any attention to adult education.

7.2. Agreements—

During the present Survey information was collected regarding agreements affecting terms and conditions of service concluded between employers and workers since 1956. The results show that except for one large factory in West Bengal there were no agreements in any of the bicycle factories throughout the country. In this factory there were two agreements. One was concluded in December, 1958, under which rates of wages of all categories of workers were revised. The second related to payment of 'Puja Bonus' and was signed in August, 1959.

7.3. *Standing Orders—*

Under the Industrial Employment (Standing Orders) Act, 1946, framing of Standing Orders is obligatory for only those establishments which employ 100 or more workers but power is conferred on State Governments to extend the provision of the Act to establishments having lesser employment.

In the course of the Survey it was found that all the factories which were under a statutory obligation to frame Standing Orders had done so. Of the smaller factories only half of those covered in the Residual Group were found to have framed Standing Orders. Thus it is estimated that the percentage of factories having Standing Orders in the country, as a whole, was nearly 34. Everywhere Standing Orders covered all workers, except in the case of one large factory in the Delhi and Punjab area where they applied only to production workers.

7.4. *Labour and Welfare Officers—*

With a view to enabling employers to have better arrangements for personnel management and to help them in ensuring proper implementation of labour laws, a specific provision has been made in the Factories Act requiring all factories employing 500 or more workers to appoint a welfare officer. The rules framed by the State Governments under the Act prescribe the functions and duties of these officers, which are generally as follows: (a) to promote harmonious relations between workers and the management and to act as a liaison officer between them, (b) to attend to grievances of workers and secure their redress, (c) to advise management with a view to ensuring compliance with the provisions of the Acts relating to health, safety and welfare of workers, (d) to assist in formation of Works Committees or committees relating to production, safety or welfare, and (e) to organise and supervise welfare activities.

It is estimated that in the Bicycle Industry the percentage of factories which employed 500 or more workers and thus were under a statutory obligation to appoint welfare officers was only 7.5. The Survey results indicate that all such factories had appointed full-time welfare officers as required under the law. In addition, one of the large factories, which was not under a statutory obligation, had also appointed a full-time welfare officer. Thus the percentage of factories having welfare officers is estimated to be about 13 in the industry.

Welfare officers usually stated that their functions were the same as prescribed in the rules framed by the State Governments under the Factories Act. However, it was noticed that generally their main duty was to attend to grievances of workers, recruitment and maintenance of general discipline. In some of the large factories welfare officers were also representing employers in conciliation proceedings.

7.5. *Works and Joint Committees—*

Under the Industrial Disputes Act, 1947 constitution of Works Committees is obligatory for those industrial establishments which

employ 100 or more workers. Some of the State laws which were in force at the time of the Survey also provided for the constitution of Joint Committees in certain types of establishments. The main idea behind the formation of such Committees is to provide a forum for mutual discussion of matters concerning day to day relationship between employers and employees so that friction could be eliminated in its initial stages and thus good relationship between the two parties could be ensured.

It is estimated that at the time of the Survey nearly 17 per cent. of factories in the industry were under a legal obligation to constitute Works Committees. Of these only one-third had complied with the requirements. The Works Committees were found to be consisting of an equal number of representatives of managements and workers. The representatives of workers were elected by them. These Committees were found to have met only once during July, 1960 to June, 1961 and discussed such issues as misconduct of workers, distribution of statement of provident fund, proper maintenance of urinals and latrines and issue of ration cards by municipality. Except for the last two items, decisions were taken on all matters and due action was taken. Action had also been initiated by the managements on the remaining two items. According to the managements the Works Committees were not functioning smoothly largely due to the existence of two rival unions.

Of those factories which were required to constitute a Works Committee and had not done so a few gave no reasons therefor. Some of them expressed the view that they felt no necessity for it and moreover workers never approached them in this connection. In one factory although no Works Committee had been set up the management had formed a 'Board of Workmen' mainly with a view to attend grievances of workers and other demands. This Board had an equal number of representatives of management and employees.

7.6. *Other Committees—*

Among the factories surveyed production committee was found to be existing in only one small factory in West Bengal. This committee consisted of a Production Superintendent and 5 workers nominated by him. The main function of the committee was to suggest measures for improving quality and out-put. Besides this committee no other committee of any type was found to be existing in any of the factories covered.

7.7. *Grievance Procedure—*

One of the items covered by Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946 is the arrangement for settling complaints of workers. Since nearly 17 per cent. of the factories in the industry had framed Standing Orders under the above Act, they had a specified arrangement for the settlement of grievances of employees. But in actual practice it was found that with a few exceptions, the general practice was that whenever a worker had any grievance he approached the Manager or proprietor and made an oral complaint. In some of the factories complaints were initially heard by the Supervisor or Foreman and the complainant approached the Manager or Proprietor only when not satisfied with their decisions. However, in some of the factories a very

systematic procedure was found to have been laid down for the settlement of grievances of employees. For example, in one of the large factories in West Bengal a two stage grievance procedure had been prescribed. In the initial stage attempt was made to settle grievances at the shop level and a worker having any grievance was expected to inform his shop or section representative who took up the matter with the departmental head. If this failed to produce a satisfactory result the aggrieved worker was free to take the next step, that is to submit the complaint in writing to the Personnel Office. On receiving the complaint it was incumbent on the Personnel Office to arrange a joint meeting of the union officials and management representatives to discuss the matter. If this stage also failed to satisfy the aggrieved worker, he was free to approach his trade union. In one large factory in Punjab there was a 'Board of Workmen' which had been constituted under a mutual agreement concluded in 1959. This board consisted of 4 members each of the management and employees. It met at least once a month to hear the grievances and other demands of the workers. If the worker was not satisfied with the decision of the board he was free to move the conciliation machinery of the State. In another large factory, which was in the Residual Group, an elaborate arrangement for the settlement of grievances was noticed. In this factory, in the first instance, an aggrieved worker was required to lodge his complaint orally to the Section Incharge. If the matter was not settled at this level, the Section Incharge forwarded the grievance to the Assistant Personnel Officer, whose duty was to make a thorough enquiry and give his report within a week. In case he felt that the matter deserved the attention and decision of the Works Manager, he could forward his report to him. In such cases the decision was given by the Works Manager. He was also free to refer the matter, if felt necessary, to the Works Committee for its consideration. If the decision of the Works Committee also failed to satisfy the aggrieved worker, he could, as a last resort, put his complaint in the confidential box for the attention of the Managing Director, whose decision was final. Thus the percentage of factories having elaborate arrangements was only 13.2 in the industry, which were all large size establishments.

CHAPTER VIII

LABOUR COST

Information relating to labour cost was collected in respect of those employees in the sampled establishments who were covered under the Factories Act and were receiving less than Rs. 400 per month as wages. This was in pursuance of the decision taken by the Study Group on Wage Costs appointed by the Ministry of Labour and Employment in 1959. The enquiry pertaining to labour cost was modelled on the lines of the study of labour cost in European Industry made by the International Labour Office in 1956, with such modifications as were necessary in the light of conditions in India. For instance, in view of the fact that in India wages are paid on the basis of 'day' instead of 'hours' as in European countries, the data were collected for the man-days and not man-hours. Similarly, it was found in the course of the pilot enquiry that, but for a very few exceptions, none of the establishments maintained any separate records of premium payments made for leave and holidays or for days not worked and hence these were dropped as separate items and included under 'basic wage'. Certain additions were made in the list either on the basis of the decisions of the Study Group referred to above or for eliciting separate information on some of the items on which employers have to incur expenses under labour laws in force in the country e.g., lay-offs, washing facilities, etc.

The Survey was launched late in July, 1961 and was completed in August, 1962. With a view to obtaining a better estimate of costs in regard to the items of welfare amenities, etc., salaries and allowances, etc., of those persons who were employed in connection with these items, even though they were covered under the Factories Act and were receiving less than Rs. 400 per month, were not included in the general head 'wages'. Expenses incurred in connection with such persons were recorded against the item for which they were employed. Similarly, mandays worked by such persons were also excluded. For purposes of collecting labour cost data, the field staff was instructed to obtain figures of expenditure incurred by the employers during the calendar year 1960. However, where the financial year of the sampled units was other than the calendar year or where the account books for the specified period were found to be not ready or available for some reasons, the field staff was permitted to take the information for the latest year for which it was available. The information thus collected from different units related to a twelve month period ranging from January, 1960 to July, 1961. In all the cases there was at least a common period of six months, and in the case of majority of units the information related to the calendar year 1960.

8.1. *Labour Cost Per Man-day Worked—*

The data collected show that the labour cost per man-day in the industry was Rs. 5.65. The figure in the case of large factories was as high as Rs. 6.09 as against Rs. 3.63 for small factories. That is, labour cost per man-day was higher in large factories by about 68 per cent. The data collected on this aspect further indicate that the labour cost per man-day was comparatively much higher in factories covered in West Bengal than elsewhere.

STATEMENT 8.1
Estimated Labour Cost Per Man-day Worked by Components in 1960.

(In Rupees)														
Size	Wages	Premium for overtime and late shifts	Bonuses	Other cash payments	Payments in kind	Social Security Contributions				Subsidies	Welfare centres non-obligatory	Direct benefits to labour cost	Others	Total
						Obligatory	Non-obligatory							
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	
(a) Large Factories	5.07 (83.25)	0.14 (2.30)	0.27 (4.43)	0.01 (0.16)	0.02 (0.33)	0.35 (5.75)	—	0.18 (2.96)	—	*	0.04 (0.66)	0.01 (0.16)	6.09 (100.00)	
(b) Small Factories	3.39 (93.38)	0.05 (1.38)	0.05 (1.38)	—	0.01 (0.28)	0.04 (1.10)	—	0.05 (1.38)	—	—	0.04 (1.10)	*	3.63 (100.00)	
All Factories	4.77 (84.43)	0.12 (2.12)	0.23 (4.07)	0.01 (0.18)	0.02 (0.35)	0.23 (5.13)	—	0.16 (2.83)	—	*	0.04 (0.71)	0.01 (0.18)	5.65 (100.00)	

NOTE — The figures shown in brackets are percentages.

* Indicates that the expenditure were less than Re. 0.00 per man-day worked.

(In Rupees)

8.2. Components of Labour Cost—

Statement 8.1 shows the break-up of labour cost by components.

8.2.1. *Wages*—The term 'Wages' includes basic wage, dearness allowance, incentive/production bonus and attendance bonus. It was desired to collect data under this head in respect of the man-days actually worked as well as for the man-days not worked but paid for. However, in the course of the pilot enquiry it was found that most of the employers did not maintain separate records of payments made for the days worked and for leave and holiday periods. Consequently, there was no alternative but to record sums paid for the days worked as well as for the days not worked but paid for.

Of the various components 'wages' alone accounted for about 84 per cent. of the total labour cost. Its proportion was much higher (93.4%) in small factories than in large ones (83.3%).

The Statement below shows the break-up of the figures of 'wages' component under sub-components, viz., basic wages (including dearness allowance), production or incentive bonus and attendance bonus.

STATEMENT 8.2

Estimated Break-up of Wage Cost by Sub-Components, 1960.

(in Rupees)

Size		Basic wage & dearness allowance	Incentive/ Production bonus	Attendance bonus	Total
(i)		(ii)	(iii)	(iv)	(v)
(a) Large Factories ..	..	4.75	0.32	—	5.07
(b) Small Factories ..	..	3.39	—	—	3.39
All Factories ..	..	4.51	0.26	—	4.77

Under the group 'Wages' basic wage and dearness allowance alone accounted for 94.5 per cent. of the total and Incentive/Production bonus for the balance. No payment in the form of Attendance bonus was reported from any of the factories. The system of paying incentive bonus was found to be in existence in only one large factory in West Bengal and the figure given above is solely due to this factory.

8.2.2. *Premium Pay for Overtime and Late Shifts*—Under this head only the premium part of the payments made for overtime work or late shift were taken into account. For example, if a worker was paid one and a half times his normal rates of wages for working late hours only the extra amount paid to him, i.e., one half in this case, was treated as the premium pay. This element of payment constituted nearly 2 per cent. of the total labour cost in the industry.

8.2.3. *Bonuses*—This component comprised payments made on account of Festival, Year-end, Profit-sharing and other such bonuses paid to employees. It formed the third important element i.e., next only to 'Wages' and 'Social Security Contributions' and accounted for about 4 per cent. of the total labour cost. Its proportion was more significant (4.43%) in large factories than in small ones (1.38%). Mostly the expenses included under this head related to festival and year-end bonus only, as the practice of paying other bonuses was entirely absent in the industry.

8.2.4. Other Cash Payments—The figures given in the Statement 8.1 show that 'other cash payments' constituted only 0.18 per cent. of the total labour cost. Such payments were reported only in one of the large factories of the Delhi and Punjab area and were attributable to gratuitous expenses.

8.2.5. Payments in Kind—Very few factories reported such expenses in the industry, which were generally due to supplies of food articles to workers. This element formed 0.35 per cent. of the total labour cost.

8.2.6. Social Security Contributions—Next to 'Wages', social security contributions were the most important element of the labour cost in the industry and accounted for 5.13 per cent. of the total. Information in respect of this component was obtained under two distinct heads: (a) **Obligatory**—i.e., those payments which the employers were required to make under certain labour laws, and (b) **Non-obligatory** i.e., those expenses which employers were incurring voluntarily. The results of the Survey show that none of the factories covered were incurring any expenses on non-obligatory social security measures. Thus the amounts reported were only those which fell under the head 'obligatory'. Statement 8.3 shows the break up of expenses under various sub-groups relating to obligatory social security contributions.

Of the total expenses on social security contributions reported by the employers in the industry, provident fund accounted for 75.86 per cent., retrenchment compensation 3.45 per cent., lay off 6.9 per cent. and the balance was attributable to the Employees' State Insurance contributions. Only one of the small factories surveyed in West Bengal and one of the large factories in the Delhi and Punjab area reported a small expenditure in the form of compensation for employment injury but the amount being very small it has not been reflected in the overall figures given in Statement 8.3.

8.2.7. Subsidies—Under this head expenses incurred by employers in providing various types of facilities and services to their employees and their family members were recorded. These include Medical and Health Care, Canteens, Restaurant and Other Food Services, Company Housing, Building Fund, Credit Unions and Other Financial Aid Services, Educational Services, Cultural Services, Recreational Services, Transport, Sanitation (at work places), Drinking Water facility, Vacation Homes, etc. The amounts recorded were net payments made, including depreciation and excluding capital expenditure.

In the course of the pilot survey it was experienced that employers did not maintain separate records for the above mentioned items or the expenses incurred related not only to persons falling within the scope of the study but also to others. Due to these limitations the field staff was asked to obtain estimates from employers, wherever separate data were not available. In case any expenses were incurred on workers covered by the study as well as on other employees, the amount was estimated on the basis of the proportion which the persons covered under the study formed to the total employees. Statement 8.4 presents the cost of subsidies per man-day worked in the industry.

STATEMENT 8.3

Estimated Cost of Social Security Contributions Per Manday Worked in 1960.

(In Rupees)

Size	Obligatory													Percentage of social security contributions to total labour cost	
	Provident fund	Retrenchment compensation	Lay off compensation	Compensation for					Contribution to Employees' State Insurance Corporation	Maternity benefits	Dependents allowance	Others	Total		Non-Obligatory and non-obligatory contributions
				Employment injury	Occupational disease										
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)		
(a) Large Factories	0.27 (77.14)	0.01 (2.86)	0.03 (8.57)	0.04 (11.43)	—	—	—	—	—	0.35	—	0.35	5.75		
(b) Small Factories	—	—	0.01 (25.00)	0.03 (75.00)	—	—	—	—	—	0.04	—	0.04	1.10		
All Factories	0.22 (75.86)	0.01 (3.45)	0.02 (6.90)	0.04 (13.79)	—	—	—	—	—	0.29	—	0.29	5.13		

NOTE—Figures in brackets are percentages.

STATEMENT 8.4

Estimated Cost of Subsidies Per Manday Worked in 1960.

(In Rupees)													
Size	Medical and Health Services	Canteens	Restaurant and Other Food Services	Company Housing	Crochets	Cultural Services	Recreational Services	Transportation	Sanitation	Drinking Water	All Others	Total	Percentage of Subsidies to total labour cost
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)
(a) Large Factories	0.03 (16.67)	0.08 (44.44)	—	0.04 (22.22)	—	0.01 (5.55)	*	—	0.01 (5.56)	0.01 (5.56)	*	0.18	2.96
(b) Small Factories	—	—	—	—	—	—	0.01 (20.00)	—	0.03 (60.00)	*	0.01 (20.00)	0.05	1.38
All Factories	0.03 (12.50)	0.07 (43.75)	—	0.03 (18.75)	—	0.01 (6.25)	*	—	0.02 (12.50)	0.01 (6.25)	*	0.16	2.83

NOTE—Figures shown in brackets are percentages.

*Indicates that the expenditures were less than Re 0.005 per man-day worked.

Expenses on account of subsidies formed 2.83 per cent. of the total labour cost in the industry. The highest expenditure was on canteens, constituting 43.75 per cent. of the total expenses under the group. Next in the order were Company Housing (18.75%), Medical and Health Care (12.50%), Sanitation (12.50%), Cultural Services and Drinking Water facilities (6.25% each).

8.2.8. *Direct Benefits*—The expenses reported under this head were related to cash payments made by certain employers to their employees on such occasions as marriage of children or in connection with funeral expenses of workers. All such expenses were reported only by some of the large factories surveyed in the Delhi and Punjab area. But the amount spent on such items was so insignificant in relation to the over all labour cost in the industry that it could hardly be reflected in the Statement 8.1.

8.2.9. *Payments related to Labour Cost*—Under this group expenses relating to Apprenticeship Scheme and on the job Medical Services were recorded. A perusal of the Statement 8.1 (col. xii) will show that this element constituted only 0.71 per cent. of the total labour cost in the industry. Almost the entire expenditure incurred under this group was on account of Apprenticeship Scheme (99.9 per cent.) and the balance was attributable to on the job Medical Services.

8.2.10. *Others*—Under this head, only those expenses which could not be grouped under any of the heads or sub-heads of the labour cost items were recorded. Some of the employers spent some money on the supply of soap, etc., which had been reported under this head. This element formed 0.18 per cent. of the total labour cost.

CHAPTER IX

SUMMARY OF CONCLUSIONS

Bicycle Industry is one of those new industries of India which have made rapid progress within a very short period. At the beginning of the First Five Year Plan, there were only 9 bicycle factories in the country employing 1,867 workers. However, by 1961 the number of factories had risen to 88 with an average daily employment of 10,920, thus recording nearly a ten-fold increase in the number of factories and approximately a six-fold rise in the average daily employment. In 1951 the total production of complete bicycles was only 0.12 million but by the end of the Second Plan period it had risen to 1.05 millions.

The data collected in the course of the Survey show that on 30th June, 1961 the estimated total number of persons employed in the industry was 12,727. Of these, nearly 84 per cent. were "Production and Related Workers", "Clerical and Related Personnel" constituted the next important group and accounted for 7.6 per cent. of the total. The other groups accounted for the rest.

Nearly the entire working force in the industry consisted of men. Child or contract labour was found to be entirely absent and the number of women was negligible. The predominant system of payment was by time and it covered 83 per cent. of the workers in the industry.

Information collected in the course of the Survey in respect of employment status of production workers employed directly by managements show that 82 per cent. of workers in the industry were permanent and about 11 per cent. of workers were treated as casual employees.

About three-fourths of production workers in the industry had less than five years' service to their credit. Of the rest, almost all had not more than 10 years' service. The shorter length of service of employees seems to be largely due to the fact that most of the bicycle factories came into existence only recently. Such a conclusion is supported by quite a low rate of labour turnover in the industry. The accession and separation rates were of the order of 3 per cent. only during the period July, 1960 to June, 1961.

The average absenteeism rate in the industry during the above mentioned period was 10.7 per cent. The monthly rates reflect the usual pattern of higher absences during summer months and harvesting seasons.

There has been no standardisation of wages in the industry on a country-wide basis. Barring factories in Punjab State, where minimum wages were fixed in 1958 for certain broad categories of workers, elsewhere wage structure was generally found to be based on individual bargaining. It is estimated that since 1956 wage revisions affecting majority of the workers took place in roughly one out of every six factories in the industry and that too only once. Most of these were the results of voluntary decisions of managements.

The estimated average daily earnings of workers in bicycle factories in the country were Rs. 5.18 in June, 1961. Similar figures in respect of men, women and the lowest paid production workers were estimated to be Rs. 4.03, Rs. 2.03 and Rs. 2.27, respectively. Considerable disparities existed between the earnings of workers employed in different areas as also of those employed in factories of different size groups in the same area. No distinction existed in the rates of men and women, if employed on identical jobs. Disparity in the average earnings of lowest paid men and women workers were due to difference in the nature of work done by the two groups in most of the factories.

The average daily earnings of clerical and related employees and of those belonging to the group 'Watch and Ward and Other Services' were Rs. 6.50 and Rs. 3.03, respectively in June, 1961.

Information collected in the course of the Survey in respect of main components of earnings shows that basic earnings (i.e., basic wage and dearness allowance) constituted nearly 91 per cent. of the total earnings. With the exception of two factories covered in West Bengal, everywhere else only consolidated wages were being paid. In only one of these, the dearness allowance was linked to consumer price index number. Payments of other allowances were reported in only stray factories and their share in total earnings was negligible in all cases except production bonus (5 per cent.) and overtime allowance (4 per cent.).

There was no profit-sharing scheme in any of the factories. However, nearly 26 per cent. of the factories were paying year-end or festival bonus.

All the factories were found to be complying with the provisions of the law concerning hours of work, rest intervals and spreadover. While a large majority of small factories worked only one shift, of the large factories only about a fifth worked one shift and the rest two or three shifts. Nearly one out of every six factories worked night shift. In all such factories there was a regular system of transferring workers from one shift to another. While most of them paid some allowance or provided some amenities to night shift workers, a few had even reduced hours of work.

Only 34 per cent. of factories in the industry had made suitable arrangements for sitting for all such workers as were obliged to work in a standing position. The defaulting establishments were all small factories.

All the factories surveyed were found to have provided latrines, though the type of arrangements made varied considerably. Everywhere the privies were found to be properly screened and had taps. The compliance of the law in regard to urinals, however, was not as good. Only 76 per cent. of the factories had made such arrangements. The defaulting employers were mainly owners of small factories. With the exception of about 11 per cent. of factories, everywhere due care was being taken to maintain latrines and urinals in a sanitary condition.

Nearly 96 per cent. of the factories were found to be granting annual leave to its employees in accordance with the provisions of the Factories Act. Data collected regarding the number of workers who availed of leave show that nearly 94 per cent. of workers had enjoyed leave during the year 1960-61. Majority of them enjoyed 11 to 15 days' leave.

The system of granting casual leave with pay was found to be in vogue in 49 per cent. of the factories. However, the days allowed and the categories entitled for leave generally differed from one factory to another.

Nearly 32 per cent. of the factories in the country were allowing sick leave with pay to their employees. The factories were all situated in the areas where the Employees' State Insurance Scheme was not in force. As in the case of casual leave the type of workers who were entitled to sick leave varied and the period of leave granted ranged from 3 to 15 days in a year.

The Survey shows a widespread practice of granting national or festival holidays with pay in the industry. It is estimated that such a practice existed in 92 per cent. of the factories. The number of holidays allowed in a year ranged from 4 to 15 but nearly 79 per cent. of the factories granted 6 to 10 holidays. All the factories were complying with the provisions of the Factories Act regarding weekly offs.

Drinking water facilities for employees existed in all the bicycle factories covered in the course of the Survey. The predominant arrangement was water taps. Nearly 72 per cent. of the factories also stated that they made some arrangements for the supply of cool drinking water during summer months. These arrangements were mostly in the form of earthen pitchers. Only a few supplied refrigerated water.

Washing arrangements in one form or the other were also available to workers in all the factories. All the factories supplied soap to workers and a few provided towels as well. Bathing facilities existed in 79 per cent. and lockers had been provided in 15 per cent. of the factories.

Canteens were found to be functioning in all those establishments which were under a statutory obligation to do so. One-third of these canteens were being run by the contractors and the rest departmentally. Generally these canteens served tea, coffee and snacks at subsidised rates and all of them served meals as well. As required by law, Canteen Managing Committees had been constituted everywhere and they fixed the prices of the items sold. In general, the location and hygienic conditions of the canteens were satisfactory. The percentage of large bicycle factories, which were under a statutory obligation to maintain rest shelters in the country was estimated to be 77.8 (i.e., 13 per cent. of the total factories). Of these, 57 per cent. had canteens of the prescribed standards and hence were free not to provide a rest shelter. Thus only 43 per cent. of large factories (or 5.7 per cent. of all factories) were defaulters in this regard.

First-aid boxes were being kept in all the factories but in only 53 per cent. of the cases they were found to be containing the prescribed items and in about one-third of the factories they were under the charge of trained first-aiders. Ambulance rooms were being maintained by all the factories which were statutorily required to do so. However, dispensaries were being maintained only by a few employers.

Nearly one-third of the factories were found to be devoting some attention towards recreation of their employees. All of them were arranging occasional film shows, dramatic performances and organising religious and social functions. Some of them had also made arrangements for games but the nature and scope of arrangements varied considerably. In 61 per cent. of such factories, the cost of above activities was being met entirely by the management, in 28 per cent. jointly by managements and workers and in the rest partly by *ad hoc* contributions of employees and partly from welfare funds.

Arrangements for the education of workers' children existed in only two large bicycle factories in the country giving an overall percentage of 7.5 for the entire country. None of the factories surveyed had made any arrangements for adult education. Only a negligible number of factories had grain shops.

The information collected on housing shows that nearly 42 per cent. of the factories were providing housing accommodation to their employees. However, the benefit was not very extensive as only 10 per cent. of the workers had been housed.

The security against the contingency of old age which the workers in the industry enjoy seems to be entirely due to the Employees' Provident Funds Act, 1952, since none of the establishments covered in the course of the Survey had any provident fund scheme prior to the enforcement of this Act. At the time of the Survey the scheme, as framed under the Act, was in force in about 40 per cent. of factories in the country. It is estimated that 52 per cent. of workers in the industry were members of the fund on 30th June, 1961. There was no scheme for payment of pension or gratuity in any of the factories covered.

On the basis of the information relating to industrial accidents collected in the course of the Survey, it is estimated that such accidents occurred in nearly 55 per cent. of bicycle factories and the proportion of workers involved in accidents was 33.8 per thousand employed. About 93 per cent. of the workers were involved in minor accidents causing only temporary disabilities. No cases of occupational diseases were reported from any of the factories covered.

Trade unionism seems to have developed fairly well in the industry. It is estimated that 48 per cent. of factories had trade unions and over 68 per cent. of workers were members of unions. More than one union existed in nearly one out of every five factories having unions. The proportion of factories having unions and of workers who were members of unions was considerably higher in large factories. The problem of multiple unions also was more in large factories than in small ones. Managements of only 38 per cent. of factories having unions had accorded recognition.

By and large, the main activities of unions in small factories were securing of claims of their members under various labour Acts, and provision of relief to distressed members. The scope of the activities of unions functioning in large factories was slightly wider. Many were providing recreational facilities and a few were engaged in welfare activities also. None of the unions had devoted any attention towards adult education. There was little evidence of the growth of the system of collective bargaining and agreements.

All the covered factories which employed 100 or more workers had framed Standing Orders. In addition some of the factories which were not under any legal compulsion had also framed Standing Orders. Thus it is estimated that at the time of the Survey 34 per cent. of factories had Standing Orders. Generally, these orders covered all workers.

All the factories employing 500 or more workers had appointed Welfare Officers. However, only one-third of the factories which were under a legal obligation to constitute Works Committees had complied with the requirements. Besides a production committee constituted in one of the factories, no other committees of any type were found to be functioning in any of the establishments surveyed.

Information collected regarding the system of settling grievances of workers in the industry shows that very few factories had made any systematic arrangements. The general practice was that whenever a worker had any grievance he approached the Manager or proprietor and made an oral complaint.

Data relating to labour cost in respect of persons covered under the Factories Act and receiving less than Rs. 400 per month show that during the year 1960 the labour cost in the industry per man-day worked was Rs. 5.65. The cost was as high as Rs. 6.09 in large factories and in small factories it was only Rs. 3.63. 'Wages', i.e., basic wage, dearness allowance and incentive payments, constituted the main component and accounted for nearly 84 per cent. of the total cost. Its proportion was much higher in small factories (93 per cent.) than large ones (83 per cent.). Obligatory social security contributions and bonus accounted for about 5 and 4 per cent. respectively. Expenses falling under the group 'Subsidies' constituted about 3 per cent. of the total.

APPENDIX

A Brief Note on the Sample Design and the Method of Estimation Adopted.

1. Sample Design—

For the Survey of Labour Conditions a multi-stage sampling procedure with industry as a stratum, with further regional strata for those industries which were found to be highly concentrated in particular regions or areas was followed. The registered factories belonging to those industries for which regional stratification was found necessary were stratified, and each centre or area of high concentration was taken as a separate regional stratum of the industry and the remaining scattered factories were clubbed together into a single residual stratum. Establishments in an industry/regional stratum were arranged in a frequency distribution fashion with suitable class intervals and were divided into two size groups, large factories and small factories, on the basis of an optimum cut-off point derived for each industry/regional stratum. The optimum cut-off point was so derived that if all the establishments in the upper size group were included in the sample, the results obtained would yield an estimate of overall employment within 5 per cent. error at 95 per cent. confidence interval, and the sample size would be minimum. The optimum cut-off point varied from industry to industry, and between strata of an industry depending upon the number and the size of establishments.

However, considering the limited resources available for the Survey of Labour Conditions and the practicability, etc., it was thought that a sample of 25 per cent. from the upper size group and 12½ per cent. from the lower size group would yield reliable results. However, the experience of earlier surveys had shown that due to (i) non-availability of very recent frame, (ii) closures, and (iii) units changing their line of production considerable shrinkage had occurred to the desired sample size. Hence it was decided that for taking into account such closures, etc., the required sample size should be increased to allow for the above mentioned shrinkage in the sample size. Having thus increased the sample size, the units which were found to be closed or which had changed their line of production have been simply ignored and no substitution for such cases has been made.

Primary sampling units, namely, registered factories mines or plantations within an industry/regional stratum, were arranged by contiguous States and within each State by contiguous districts in a serpentine fashion so that districts formed a continuous chain from one State to another. Having arranged the list of units in the above manner, the units above the optimum cut-off point were taken in the upper size class and the rest in the lower size class. From these size groups, the required number of units were selected by systematic sampling with a random start. The frame on the basis of which the sample was selected for the Bicycle Industry was the list of registered Factories for the year 1959.

2. Method of Estimation--

In the course of the Survey various characteristics were studied. Some of which were correlated with employment whereas there were others which were correlated not with employment but with the number of establishments. Consequently, two different methods were used for working out estimates.

For estimating the totals of those characteristics which are highly correlated with employment such as absenteeism, labour turnover, earnings, labour cost, etc., ratio of total employment was used as blowing up factor. For estimating the totals of those characteristics which are not correlated with employment such as, number of units providing certain welfare facilities, etc., ratio of units was used as blowing up factor. Estimates of percentages have been arrived at by computing in each case the ratio of the estimates of the totals for the two characteristics involved.

In any stratum the estimate for the total of x-characteristics not correlated with employment is given by—

$$X = \frac{N_u - N'_u}{n_u - n'_u} \sum_i X_{iu} + \frac{N_l - N'_l}{n_l - n'_l} \sum_i X_{il} \quad \dots (1)$$

The summation extending over all sampled units surveyed in the stratum

Where	X	=	the estimated total of the x-characteristic for a particular stratum;
N_u and N_l		=	the number of units in the original population as featuring in the 1959 list; which was used as frame in the upper and lower size groups, respectively, of the stratum concerned;
N'_u and N'_l		=	the number of units which featured in the 1959 list but were not featuring in the latest available list nearest to the period of survey in the upper and lower size groups, respectively, of the stratum concerned;
n_u and n_l		=	the total number of units in the sample (from 1959 list) in the upper and lower size groups, respectively, of the stratum concerned;
n'_u and n'_l		=	the number of sampled units, which were found at the time of the survey to be closed or to have changed the line of production and hence left out in the upper and lower size groups, respectively, of the stratum concerned;
X_{iu} and X_{il}		=	the total number of x-characteristic in the i th sample unit of the upper and lower size groups, respectively, of the stratum concerned.

The totals for an industry are obtained by summing up the totals obtained on the basis of the above formula for each one of the strata of the industry.

In any stratum the estimate for the y-characteristics correlated with Employment is given by—

$$Y = \frac{E_{mu} - N'_u}{E_{nu} - n'_u} \sum_i Y_{iu} + \frac{E_{ml} - N'_l}{E_{nl} - n'_l} \sum_i Y_{il} \quad \dots (2)$$

The summation extending over all sampled units surveyed in the stratum

Where Y = the estimated total of the y -characteristic for a particular stratum

$E_{n_u} - N_i$ and $E_{n_l} - N'_i$ = the total employment in 1959 in the $E_{n_u} - N_i$ and $E_{n_l} - N'_i$ units, respectively.

$E_{n_u} - N'_u$ and $E_{n_l} - N'_l$ = the total employment in 1959 in $E_{n_u} - N'_u$ and $E_{n_l} - N'_l$ sampled units respectively.

Y_{i_u} and Y_{i_l} = the total number of y -characteristic in the i th sample unit of the upper and lower size groups respectively of the stratum concerned.

The totals for an industry are obtained by summing up the totals obtained on the basis of the above formula for each one of the strata of an industry.

